

# City of Detroit

## CITY COUNCIL

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**ANNE MARIE LANGAN**  
DEPUTY DIRECTOR  
(313) 224-1078

TO: COUNCILMEMBERS

FROM: Irvin Corley, Jr., Fiscal Analyst *WC*  
Anne Marie Langan, Deputy Fiscal Analyst *AM*

DATE: February 4, 2009

RE: Special Election Ballot Proposals

Councilmember Kenyatta wrote to our office requesting a report for the February 5, 2009 Internal Operations Standing Committee, explaining the bond proposals that appear on the February 24<sup>th</sup> special election ballot.

This report will look at the proposals in the order they are presented on the ballot. Also attached to this report are copies of the report our office wrote July 18, 2008, after the Administration requested Council authorize the language for the bond proposals, the initial request from the Administration dated July 14, 2008, and the written responses that the Administration provided July 24, 2008 to the questions that were asked in the Fiscal Analyst's report of July 18<sup>th</sup>.

If all six proposals were to be approved by the voters, this would give the city a total of \$263 million to continue capital projects throughout the city. This funding gives the city about five years' worth of bond authorization based on the annual bond sales the city has conducted in the recent past.

Council will recall that these bond proposals were initially scheduled for the November 2008 election, but due to the length of the ballot and not wanting to incur the cost or confusion of a two-page ballot, the Administration requested Council approval that the bond proposals be removed and held for the February special election.

Assuming a typical sale of \$50 million in one year for capital improvements out of the bond proposals in total, the bond proposal language states that the first year

tax rate to the taxpayer would be 1.5875 mills and the following 29 years the rate would be 0.9398 mills. The Assessor's office reports that the median taxable valuation for homeowners is \$33,500, which would equate to \$53.10 for the first year and \$31.48 for the remaining years. Over the last eight years, the debt service tax rate has ranged from the current rate of 7.4779 mills for all outstanding debt service to 8.9437 mills in 2001-2002. It has been the city's philosophy to keep this figure as consistent as possible.

#### **Proposal N**

The money raised if the voters authorize this bond proposal would raise \$25 million for neighborhood redevelopment and economic development programs. The projects are generated out of the Planning and Development Department.

#### **Proposal S**

The money raised if the voters authorize this bond proposal would raise \$72 million for capital improvements for the public safety departments – Police, Fire, EMS and the Health Department.

#### **Proposal L**

The money raised if the voters authorize this bond proposal would raise \$22 million for capital improvements for the Public Lighting Department improving street and alley lighting, emergency communications, service extensions and service improvements to supply light and power.

#### **Proposal C**

The money raised if the voters authorize this bond proposal would raise \$97 million for capital improvements for City of Detroit museums, Detroit Public Library Facilities, Recreation and other cultural facilities.

#### **Proposal M**

The money raised if the voters authorize this bond proposal would raise \$35 million for capital improvements for City of Detroit municipal facilities, such as DPW or General Service facilities.

#### **Proposal T**

The money raised if the voters authorize this bond proposal would raise \$12 million for capital improvements for City of Detroit transportation facilities, such as Airport facilities.

The Council has the ability to analyze and investigate each proposed project before approving the capital funds in specific departments at two additional points in the process before the bonds are sold: first when the capital funds are presented by the Mayor as appropriations typically during the budget process and second, when Council is requested to authorize the actual bond sale.

Please let us know if there are additional questions

#### Attachments

cc: Council Divisions  
Auditor General

VOTER: PLEASE DO NOT REMOVE STUB  
IF STUB DETACHES, PLEASE RETURN WITH BALLOT

# OFFICIAL BALLOT

DIST 3 PCT 2

**SPECIAL PRIMARY ELECTION  
TUESDAY, FEBRUARY 24, 2009  
CITY OF DETROIT  
WAYNE COUNTY, MICHIGAN  
DIST 3 PCT 2**

**TO VOTE:** Completely darken the oval opposite each choice as shown:

**IMPORTANT:** To mark your ballot, use only a black or blue pen. DO NOT USE ANY OTHER INK COLOR!

**DO NOT** vote for more candidates than indicated under each office title.

**WRITE-IN CANDIDATES:** To vote for a candidate whose name is not printed on the ballot, write or place the name of that candidate in the blank space provided and completely darken oval. Do not cast a write-in vote for a candidate whose name is already printed on the ballot for that office.

**CHECK BOTH SIDES OF BALLOT:** This ballot has two sides. Be certain to check the reverse side of the ballot for additional proposals.

**WHEN YOU HAVE COMPLETED VOTING:** Place the ballot in the secrecy sleeve so that votes cannot be seen and the numbered stub is visible. Return the ballot to the election official stationed at the tabulator. (If voting by absentee ballot, follow the instructions provided by the clerk for returning the ballot.)

**NOTE:** If you make a mistake, return your ballot to the election official and obtain a new ballot. Do not attempt to erase or correct any marks made in error.

## CITY

## CITY PROPOSALS

## CITY PROPOSALS

### PROPOSAL N

**CITY OF DETROIT  
NEIGHBORHOOD  
REDEVELOPMENT AND  
ECONOMIC DEVELOPMENT  
PROGRAMS BONDING  
PROPOSAL**

Do you favor the authorization and issuance of General Obligation Unlimited Tax Bonds, payable from taxes the City is allowed to levy in addition to state statutory and City Charter limits, in an amount necessary to pay the principal and interest thereon in the principal sum of an amount not to exceed Twenty-Five Million Dollars (\$25,000,000) over three years for the purpose of paying the cost of improvements to various neighborhood redevelopment and housing rehabilitation projects, and for economic development projects? The estimated millage that will be levied per \$1,000 of the taxable value of property located in the City to pay for the proposed bonds will be \$0.1509 in the first year, which will raise in the first year an estimated amount of Three Million Dollars (\$3,000,000), and the estimated simple average annual millage rate over the life of the bonds, which will not exceed 30 years from the date of issuance, is .0893 mills (\$.0893 per \$1,000 of taxable value). If approved, this would be a renewal of a previously authorized millage.

YES ☐

### PROPOSAL S

**CITY OF DETROIT PUBLIC  
SAFETY IMPROVEMENTS  
BONDING PROPOSAL**

Do you favor the authorization and issuance of General Obligation Unlimited Tax Bonds, payable from taxes the City is allowed to levy in addition to state statutory and City Charter limits, in an amount necessary to pay the principal and interest thereon in the principal sum of an amount not to exceed Seventy-Two Million Dollars (\$72,000,000) over three years for the purpose of paying the cost of acquisition, construction, renovation, or rehabilitation of public safety projects relating to, Police, Fire, Emergency Medical Services (EMS), Health facilities and other municipal facilities public safety improvements? The estimated millage that will be levied per \$1,000 of the taxable value of property located in the City to pay for the proposed bonds will be \$0.4346 in the first year, which will raise in the first year an estimated amount of Nine Million Dollars (\$9,000,000), and the estimated simple average annual millage rate over the life of the bonds, which will not exceed 30 years from the date of issuance, is .2573 mills (\$.2573 per \$1,000 of taxable value). If approved, this would be a renewal of a previously authorized millage.

YES ☐

Donald R. Bradley ☐

Stanley Michael Christmas ☐

Ken Cockrel Jr. ☐

Frances D. Culver ☐

Warren Cleage Evans ☐

Fremam Hendrix ☐

Joseph W. Holt ☐

Nicholas Hood III ☐

Sharon McPhail ☐

Duane Montgomery ☐

Brenda K. Sanders ☐

Jerroli Sanders ☐

D. Etta Wilcoxon ☐

Coleman A. Young ☐

Dave Bing ☐

**CITY PROPOSALS****PROPOSAL L****CITY OF DETROIT PUBLIC  
LIGHTING SERVICE BONDING  
PROPOSAL**

Do you favor the authorization and issuance of General Obligation Unlimited Tax Bonds, payable from taxes the City is allowed to levy in addition to state statutory and City Charter limits, in an amount necessary to pay the principal and interest thereon in the principal sum of an amount not to exceed Twenty-Two Million Dollars (\$22,000,000) over three years for the purpose of paying the cost of improving street and alley lighting, emergency communications, service extensions, and improvements required to supply light and power? The estimated millage that will be levied per \$1,000 of the taxable value of property located in the City to pay for the proposed bonds will be \$0.1328 in the first year, which will raise in the first year an estimated amount of Seven Million Dollars (\$7,000,000) and the estimated simple average annual millage rate over the life of the bonds, which will not exceed 30 years from the date of issuance, is .0786 mills (\$0.0786 per \$1,000 of taxable value). If approved, this would be a renewal of a previously authorized millage.

YES ☐NO ☐**CITY PROPOSALS****PROPOSAL C****CITY OF DETROIT MUSEUMS,  
LIBRARIES, AND RECREATION  
AND OTHER CULTURAL  
FACILITIES BONDING  
PROPOSAL**

Do you favor the authorization and issuance of General Obligation Unlimited Tax Bonds, payable from taxes the City is allowed to levy in addition to state statutory and City Charter limits, in an amount necessary to pay the principal and interest thereon in the principal sum of an amount not to exceed Ninety-Seven Million Dollars (\$97,000,000) over three years for the purpose of paying the cost of acquisition, construction, renovation, or rehabilitation of City of Detroit Museums, Detroit Public Library Facilities, Recreation, and other Cultural facilities? The estimated millage that will be levied per \$1,000 of the taxable value of property located in the City to pay for the proposed bonds will be \$.5855 in the first year, which will raise in the first year an estimated amount of Twenty-Three Million Dollars (\$23,000,000), and the estimated simple average annual millage rate over the life of the bonds, which will not exceed 30 years from the date of issuance, is 0.3486 mills (\$0.3486 per \$1,000 of taxable value). If approved, this would be a renewal of a previously authorized millage.

YES ☐

**PROPOSAL M****CITY OF DETROIT MUNICIPAL  
FACILITIES BONDING  
PROPOSAL**

Do you favor the authorization and issuance of General Obligation Unlimited Tax Bonds, payable from taxes the City is allowed to levy in addition to state statutory and City Charter limits, in an amount necessary to pay the principal and interest thereon in the principal sum of an amount not to exceed Thirty-Five Million Dollars (\$35,000,000) over three years for the purpose of paying the cost of acquisition, construction, renovation, or rehabilitation of Detroit municipal facilities? The estimated millage that will be levied per \$1,000 of the taxable value of property located in the City to pay for the proposed bonds will be \$0.2113 in the first year, which will raise in the first year an estimated amount of Five Million Dollars (\$5,000,000), and the estimated simple average annual millage rate over the life of the bonds, which will not exceed 30 years from the date of issuance, is 0.1251 mills (\$0.1251 per \$1,000 of taxable value). If approved, this would be a renewal of a previously authorized millage.

YES ☐NO ☐NO ☐**PROPOSAL T****CITY OF DETROIT  
TRANSPORTATION FACILITIES  
BONDING PROPOSAL**

Do you favor the authorization and issuance of General Obligation Unlimited Tax Bonds, payable from taxes the City is allowed to levy in addition to state statutory and City Charter limits, in an amount necessary to pay the principal and interest thereon in the principal sum of an amount not to exceed Twelve Million Dollars (\$12,000,000) over three years for the purpose of paying the cost of acquisition, construction, renovation, or rehabilitation of Detroit transportation facilities? The estimated millage that will be levied per \$1,000 of the taxable value of property located in the City to pay for the proposed bonds will be .0724 in the first year, which will raise in the first year an estimated amount of Three Million Dollars (\$3,000,000), and the estimated simple average annual millage rate over the life of the bonds, which will not exceed 30 years from the date of issuance, is .0429 mills (\$.0429 per \$1,000 of taxable value). If approved, this would be a renewal of a previously authorized millage.

YES ☐NO ☐

**VOTE BOTH FRONT AND BACK OF BALLO**  
Printed by Authority of the Detroit Election Commission

# City of Detroit

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**ANNE MARIE LANGAN**  
DEPUTY DIRECTOR  
(313) 224-1078

**TO:** COUNCILMEMBERS

**FROM:** Irvin Corley, Jr., Director *ICJ*  
Anne Marie Langan, Deputy Director *AML*

**DATE:** July 18, 2008

**RE:** Bond Ballot Proposals for the November 2008 Election

The Administration has requested Council's authorization of six resolutions to place capital bond authorization proposals totaling \$ 263 million on the November ballot. This additional authorization if approved by the voters would give the city about 5 years' worth of bond authorization plus some contingency, since recently budgeted bond sales have been close to \$50 million.

The 2008-2009 budget includes appropriations of \$53.155 million, which the Administration plans to sell during the fiscal year. The city will have an effective remaining balance of \$63.08 million in unbudgeted remaining voter authorization.

Attached is a chart that shows the breakdown of the ballot proposals by agency as well as what was approved by the voters in the prior proposals going back to 2000.

The tentative projects for each of the 18 agencies represented in these ballot proposals are included in the packet provided by the Mayor's Office and are attached to this report.

Council should keep in mind that the department allocations and the capital project lists are advisory only and simply follow currently voiced capital needs that the departments provided to the Budget Department during the most recent budget process.

Understandably, two years from now priorities could change and a more urgent capital project could emerge that would then need funding. Over half of the projects for the Police Department tie directly to the Department of Justice's consent decree, which was planned for in the most recent capital agenda published in December 2006. None of the projects proposed for the Police Department are related to a new headquarters.

The Council has the ability to analyze and investigate each proposed project before approving the capital funds in specific departments at two additional points in the process before the bonds are sold: first when the capital funds are presented by the Mayor as appropriations during the budget process and second, when Council is requested to authorize the actual bond sale.

Due to state law (Act No. 248 of 1999), bond ballot proposals must now include the estimated first year cost to the taxpayer if the entire authorization was sold at the same time and the average cost for the life of the bonds must also be reported. Combining all six proposals, the estimated tax rate that would be levied in the first year would be 1.5875, with the estimated tax rate over the bond's maximum life of 30 years to be 0.9398. According to the Assessor's office the median homeowner's "taxable" valuation is \$33,500 and that would equate to \$53.10 in new taxes for the first year and an average of \$31.48 in annual taxes for the remaining debt service years. This is how the law forces the ballot language to be written.

However, this assumes that all \$263 million in bonds would be sold in the same year. As stated earlier in this report, the average annual bond sale in the annual budget has remained for many years close to \$50 million. Based on the voter authorization there is a tax rate to cover the annual debt service for all outstanding general obligation bond sales. Over the last 8 years, the debt service tax rate has ranged from the current rate of 7.4779 mills to 8.9437 mills in 2001/2002.

The Budget Department is not anticipating any substantial increase in the debt service millage in upcoming years due to any increases in annual bond sales.

Attached is a chart from the 2008-2009 Executive Budget Summary that shows the outstanding debt service requirement schedule for general obligation unlimited tax bonds. If the city were not to sell another unlimited tax bond, there would be an average payment of \$41 million through 2025 and then the debt service millage of approximately 8 mills would be eliminated. During those same 20 years, the city would have to use funds from the general fund to complete any capital projects. The city could sell general obligation bonds but they would be "limited" and the debt service payment would come from the general fund mills of 19.95 mills, which are the same dollars that finance annual operating costs for city departments and services.

Based on the documents provided by the Budget Department, we have some initial questions on the proposed ballot initiatives:

1. Please provide a chart by department that shows in which departments' remains the \$63 million in current unauthorized bonds.
2. Please provide a breakdown by agency of the bonds that have been sold but not yet expended and detail what projects they are to be used for.



3. Planning and Development – Please provide additional detail on the projects in citywide infrastructure improvements.
4. Planning and Development – Please explain both the Bell Building project and Core City Neighborhood project in more detail.
5. Planning and Development – Please detail what the \$19 million authorized in 2004 was actually used for.
6. Police – How much of the \$78 million authorized in 2004 has been appropriated/expended and what projects were chosen?
7. Civic Center – Were the fire suppression systems at Cobo and the ADA upgrades at Hart Plaza completed as listed in the 2004 bond proposal? If not, what was completed instead?
8. PLD – Of the \$52 million authorized in the last 2 bond sales how much has been spent on maintaining the existing systems and how much has been appropriated for new construction infrastructure?
9. General Services – Please provide some detail regarding the projects needed for each of the departments listed.
10. Detroit Public Library – Please provide a rationale as to why this needs to go through the city when the DPL has chosen to separately handle the operating millage proposals?
11. Eastern Market – Please explain the projects proposed with this funding.
12. Airport – What projects were completed with the \$10 million they received in the last two authorizations, and why is the city committed to such a large increase for the airport when there is little activity taking place there?

We would respectfully request that Budget assist in coordinating the questions with the respective agencies.

As stated in the Mayor's letter to Council, Council authorization before recess is critical because the resolutions must be submitted to the City Clerk by August 26, 2008, in order to be placed on the November 4, 2008 ballot.

#### Attachments

cc: Council Divisions  
Auditor General  
Norman White, Finance Director  
Pamela Scales, Budget Director  
Renee Short, Budget Manager  
Kerwin Wimberley, Mayor's Office

**History of General Obligation Bond Ballot Proposals**  
(in Millions)

| <b>Ballot Proposal Categories</b>                 | <b>Agency</b>                | <b>2008</b>   | <b>2004</b>   | <b>2000</b>   |
|---|------------------------------|---------------|---------------|---------------|
| Neighborhood Redevelopment & Economic Development | Planning & Development       | 25.00         | 19.00         | 25.00         |
| Public Safety                                     | Police                       | 30.00         | 78.00         | 6.00          |
|   | Fire/EMS                     | 36.00         | 17.50         | 6.00          |
|   | Health                       | 6.00          | 7.50          | 5.00          |
|   |                              | 72.00         | 103.00        | 17.00         |
| Public Lighting                                   | PLD                          | 22.00         | 22.00         | 30.00         |
| Municipal Facilities                              | DPW                          | 10.00         | 6.00          | 5.00          |
|   | Civic Center                 | 10.00         | 9.00          | 3.00          |
|   | General Services             | 15.00         | -             | -             |
|   |                              | 35.00         | 15.00         | 8.00          |
| Transportation                                    | DDOT                         | -             | 12.00         | 5.00          |
|   | Detroit Transportation Corp. | -             | 15.00         | -             |
|   | Airport                      | 12.00         | 5.00          | 5.00          |
|   |                              | 12.00         | 32.00         | 10.00         |
| Cultural Facilities                               | DIA                          | 25.00         | -             | 25.00         |
|   | C.H. Wright Museum           | 2.50          | -             | 4.00          |
|   | Historical Museum            | 3.00          | -             | 6.00          |
|   | Detroit Public Library       | 25.00         | -             | -             |
|   | Recreation                   | 25.00         | 14.00         | 36.00         |
|   | Zoo                          | 9.00          | 8.00          | 10.00         |
|   | Eastern Market               | 7.50          | 2.00          | -             |
|   |                              | 97.00         | 24.00         | 81.00         |
| <b>Ballot Proposal Totals</b>                     |                              | <b>263.00</b> | <b>215.00</b> | <b>171.00</b> |
| <b>Current Bond Balances</b>                      |                              | <b>63.08</b>  | <b>55.30</b>  | <b>46.60</b>  |
| <b>Available Bonds</b>                            |                              | <b>326.08</b> | <b>270.30</b> | <b>217.60</b> |

**TOTAL OUTSTANDING DEBT SERVICE REQUIREMENT SCHEDULE**  
As of April 2, 2008

| Fiscal<br>Year<br>Ending | General Obligations |                |                |                |               |                | Revenue and Other (1) |                  |                   | Requirements   |
|--------------------------|---------------------|----------------|----------------|----------------|---------------|----------------|-----------------------|------------------|-------------------|--|
|                          | Unlimited Tax       |                |                | Limited Tax    |               |                |                       |                  |                   | G.O. (Unlimited),<br>G.O. (Limited),<br>Revenue<br>and Other |
|                          | Principal           | Interest       | Total          | Principal      | Interest      | Total          | Principal             | Interest         | Total             |  |
| 2008                     | 12,240,000          | 659,400        | 12,899,400     | 20,130,000     | 4,845,174     | 24,975,174     | 133,434,319           | 255,882,236      | 389,316,555       | 427,191,128  |
| 2009                     | 42,515,000          | 27,039,015     | 69,554,015     | 135,380,000    | 16,784,290    | 152,164,290    | 137,799,436           | 261,637,243      | 399,436,679       | 621,154,984  |
| 2010                     | 44,825,000          | 24,680,625     | 69,505,625     | 31,015,000     | 11,180,303    | 42,195,303     | 141,504,131           | 258,126,644      | 399,630,775       | 511,331,703  |
| 2011                     | 44,345,000          | 22,463,495     | 66,808,495     | 32,365,000     | 9,796,112     | 42,163,112     | 145,887,741           | 253,729,874      | 399,617,615       | 508,589,221  |
| 2012                     | 41,785,000          | 20,337,075     | 62,122,075     | 33,850,000     | 8,356,655     | 42,206,655     | 158,063,762           | 249,236,036      | 407,299,798       | 511,628,529  |
| 2013                     | 41,210,000          | 18,237,567     | 59,447,567     | 35,380,000     | 6,762,372     | 42,122,372     | 158,893,532           | 248,000,036      | 406,893,568       | 508,463,507  |
| 2014                     | 34,980,000          | 16,127,954     | 51,107,954     | 18,420,000     | 5,022,978     | 23,442,978     | 162,145,769           | 248,500,541      | 410,646,309       | 485,187,242  |
| 2015                     | 32,545,000          | 14,332,429     | 46,877,429     | 5,895,000      | 4,102,060     | 9,797,060      | 166,063,359           | 244,574,825      | 410,658,184       | 467,332,673  |
| 2016                     | 29,270,000          | 12,649,753     | 41,919,753     | 5,925,000      | 3,785,250     | 9,710,250      | 170,691,374           | 239,426,896      | 410,118,270       | 461,748,273  |
| 2017                     | 30,780,000          | 11,131,679     | 41,911,679     | 6,195,000      | 3,452,019     | 9,647,019      | 175,022,773           | 235,847,446      | 410,870,219       | 462,428,917  |
| 2018                     | 32,285,000          | 9,575,359      | 41,860,359     | 6,475,000      | 3,088,342     | 9,563,342      | 177,282,848           | 230,325,456      | 407,608,304       | 459,032,005  |
| 2019                     | 30,960,000          | 7,892,922      | 38,852,922     | 6,800,000      | 2,707,389     | 9,507,389      | 181,830,678           | 225,026,262      | 406,856,940       | 455,217,250  |
| 2020                     | 31,830,000          | 6,318,958      | 38,148,958     | 7,130,000      | 2,306,832     | 9,436,832      | 188,464,939           | 218,892,216      | 407,357,155       | 454,942,945  |
| 2021                     | 32,700,000          | 4,700,134      | 37,400,134     | 7,865,000      | 1,866,142     | 9,751,142      | 191,100,519           | 217,778,232      | 408,878,752       | 456,030,027  |
| 2022                     | 24,400,000          | 2,999,669      | 27,399,669     | 6,570,000      | 1,445,873     | 8,015,873      | 186,143,369           | 212,909,921      | 399,053,290       | 434,468,831  |
| 2023                     | 16,570,000          | 1,743,073      | 18,313,073     | 6,840,000      | 1,109,018     | 7,949,018      | 199,743,190           | 207,430,460      | 407,173,650       | 433,435,741  |
| 2024                     | 12,675,000          | 897,835        | 13,572,835     | 7,210,000      | 758,318       | 7,968,318      | 203,542,559           | 201,502,962      | 405,045,521       | 426,586,674  |
| 2025                     | 5,000,000           | 250,000        | 5,250,000      | 7,580,000      | 388,645       | 7,968,645      | 217,159,886           | 166,583,353      | 383,743,239       | 396,961,884  |
| 2026                     |                     |                |                |                |               |                | 212,855,969           | 157,887,460      | 370,743,429       | 370,743,429  |
| 2027                     |                     |                |                |                |               |                | 232,092,051           | 148,328,069      | 380,420,120       | 380,420,120  |
| 2028                     |                     |                |                |                |               |                | 242,308,099           | 138,019,962      | 380,329,062       | 380,329,062  |
| 2029                     |                     |                |                |                |               |                | 253,244,656           | 127,253,002      | 380,497,658       | 380,497,658  |
| 2030                     |                     |                |                |                |               |                | 261,163,056           | 113,820,936      | 374,983,992       | 374,983,992  |
| 2031                     |                     |                |                |                |               |                | 207,293,725           | 102,180,966      | 309,474,711       | 309,474,711  |
| 2032                     |                     |                |                |                |               |                | 212,262,144           | 91,465,004       | 303,727,148       | 303,727,148  |
| 2033                     |                     |                |                |                |               |                | 282,770,450           | 77,903,213       | 360,673,663       | 360,673,663  |
| 2034                     |                     |                |                |                |               |                | 293,018,750           | 60,941,361       | 353,960,111       | 353,960,111  |
| 2035                     |                     |                |                |                |               |                | 303,311,250           | 43,984,795       | 347,296,045       | 347,296,045  |
| 2036                     |                     |                |                |                |               |                | 296,565,000           | 29,137,760       | 325,702,760       | 325,702,760  |
| 2037                     |                     |                |                |                |               |                | 300,670,000           | 12,764,776       | 313,434,776       | 313,434,776  |
|                          | \$ 540,915,000      | \$ 202,036,942 | \$ 742,951,942 | \$ 380,805,000 | \$ 87,779,769 | \$ 468,584,769 | \$ 6,182,350,335      | \$ 5,279,097,962 | \$ 11,471,448,297 | \$ 12,682,985,008  |

Note: Totals may not add due to rounding.

(1) Includes debt service for the Water and Sewerage Systems and for the Detroit Building Authority (Parking System) which is paid from revenues of the individual systems.  
Of the total Revenue and Other Debt Service Requirement Water and Sewage accounted for approximately 99%.

July 14, 2008

Detroit City Council  
1340 Coleman A. Young  
Municipal Center  
Detroit, Michigan

**Re: Capital Bond Authorization Proposals**

Honorable City Council:

In order to continue the process of an orderly capital improvement program over the next several years, it will be necessary to seek approval from the electorate for additional bond authorizations.

The 2008-09 Budget includes an issue of \$53,155,000 general obligation bonds, which are expected to be sold, during the fiscal year. The combination of prior authorizations and the proposed bond sale in the current budget leaves the City with only \$63,080,000 in voter authorized, but un-issued bonds for General City agencies. There also exists an additional \$24,000,000 of authorized, but un-issued, general obligation bonds dating back to 1960 for sewer construction (prior to that agency's ability to sell revenue bonds). The last time that the City requested voter authorization was on November 2, 2004 when \$215,000,000 was approved for various City of Detroit capital projects.

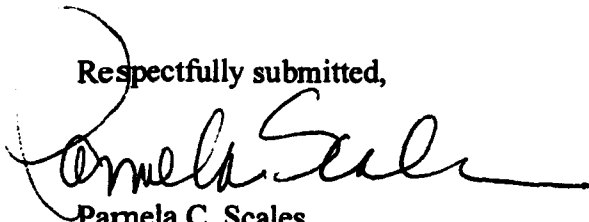
It is imperative that we seek additional voter authorization to continue some critical capital improvement projects. Currently, we have several departments that have zero voter authorization to sell general obligation bonds in the future. Departments that have zero or a minimum amount remaining voter authorization are: Airport, Detroit Institute of Arts, General Services, Health, Historical, Library, Public Lighting, Recreation and Zoo. The remaining agencies have one year or less of remaining voter authorization after the sale of the FY 2008-09 budgeted bonds.

Therefore, having reviewed our capital needs, I am submitting to Your Honorable Body, six bond authorization proposals for inclusion on the November 4, 2008 General Election ballot. Specifically, I am requesting your approval for submission to the voters for a General Obligation Bond Authorization Program totaling \$263 million. This package addresses the City's capital needs in the areas of Economic Development (\$25 million); Public Lighting (\$22 million); Public Safety (Police, Fire, EMS, and Health) (\$72 million); Museums, Libraries and Recreational Facilities (\$97 million); Municipal Facilities (\$35 million) and Transportation Facilities (\$12 million). The attached summary is an outline of tentatively proposed projects.

Detroit City Council  
July 14, 2008  
Page 2

The attached resolutions will authorize the placement of these proposals on the ballot. The approved package must be submitted to the City Clerk at least seventy (70) days prior to the election, which date is August 26, 2008, in order to be placed on the November 4, 2008 General Election ballot for consideration by the voters of the City of Detroit.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Pamela Scales", written over a horizontal line.

Pamela C. Scales  
Budget Director

cc: Mayor Kwame M. Kilpatrick,  
Deputy Mayor Anthony Adams  
Norman White, Chief Financial Officer

**CITY OF DETROIT  
GENERAL OBLIGATION BONDS PROJECT LISTING  
2008 REQUEST FOR ADDITIONAL VOTER AUTHORIZATION**

| <b>BONDS BALLOT PROPOSALS</b>   |         | <b>AMOUNT (in millions)</b> |
|---|---------|-----------------------------|
| <b>I NEIGHBORHOOD REDEVELOPMENT AND ECONOMIC DEVELOPMENT (PROPOSAL N)</b> |         |                             |
| <b>Planning &amp; Development</b>   |         |                             |
| 1. Citywide Infrastructure Improvements                                   | \$10.00 |                             |
| 2. Virigina Park - Infrastructure   | 1.50    |                             |
| 3. Bell Building - Infrastructure   | 3.00    |                             |
| 4. Harbor Hill/Marina - Infrastructure                                    | 3.00    |                             |
| 5. Jefferson Chalmers - Infrasture  | 3.00    |                             |
| 6. McDougall/Hunt - Infrastructure  | 1.50    |                             |
| 7. Oakland East Infrastructure  | 1.50    |                             |
| 8. Core City Neighborhood - Infrastructure                                | 1.50    |                             |
| <b>TOTAL NEIGHBORHOOD REDEVELOPMENT AND ECONOMIC DEV</b>                  |         | <b>\$25.00</b>              |
| <b>II PUBLIC SAFETY (PROPOSAL S)</b>                                      |         |                             |
| <b>Police Department</b>  |         |                             |
| 1. Facility Improvements and Major Renovations                            | \$30.00 |                             |
| <b>Total Police</b>   |         | <b>\$30.00</b>              |
| <b>Fire and EMS</b>   |         |                             |
| 1. Major renovations of Fire Facilities                                   | \$6.00  |                             |
| 2. New construction- Fire Stations  | 30.00   |                             |
| 3. New construction- Fire Boat Facility                                   | 0.00    |                             |
| <b>Total Fire and EMS</b>   |         | <b>\$36.00</b>              |
| <b>Health and Wellness Promotion</b>                                      |         |                             |
| 1. Facility Improvements and Upgrades                                     | \$6.00  |                             |
| <b>Total Health and Wellness Promotion</b>                                |         | <b>\$6.00</b>               |
| <b>TOTAL PUBLIC SAFETY</b>  |         | <b>\$72.00</b>              |
| <b>III PUBLIC LIGHTING SERVICE (PROPOSAL L)</b>                           |         |                             |
| <b>Public Lighting Department</b>   |         |                             |
| 1. System Improvements  | \$13.65 |                             |
| 2. Fenkell, Evergreen to Telegraph  | 0.35    |                             |
| 3. Mistersky Technical Accessment   | 1.00    |                             |
| 4. Headquarters Upgrade   | 0.50    |                             |
| 5. Engineering Services   | 2.20    |                             |
| 6. Gallery System Map   | 0.25    |                             |
| 7. Billing & Meter Reading System   | 0.50    |                             |
| 8. Engg Salaries Abatement  | 0.50    |                             |
| 9. Special Event Load Centers   | 1.00    |                             |
| 10. Const. Cost Abatement   | 1.80    |                             |
| 11. Substation Battery Replacement  | 0.25    |                             |
| <b>TOTAL PUBLIC LIGHTING SERVICE</b>                                      |         | <b>\$22.00</b>              |

**CITY OF DETROIT  
GENERAL OBLIGATION BONDS PROJECT LISTING  
2008 REQUEST FOR ADDITIONAL VOTER AUTHORIZATION**

|           | <b>BONDS BALLOT PROPOSALS</b>  | <b>AMOUNT (in millions)</b> |
|-----------|--|-----------------------------|
| <b>IV</b> | <b><u>MUNICIPAL FACILITIES (PROPOSAL M)</u></b>  |                             |
|           | <b>Department of Public Works</b>  |                             |
|           | 1. DPW Facility Improvements   | \$4.00                      |
|           | 2. Jefferson Ave Streetscape (TEA# 2)  | 2.70                        |
|           | 3. Michigan Ave Streetscape  | 1.60                        |
|           | 4. Grand River Gateway   | 1.70                        |
|           | <b>Total DPW</b>   | <b>\$10.00</b>              |
|           | <b>Civic Center</b>  |                             |
|           | 1. Facility Improvements   | \$10.00                     |
|           | <b>Total Civic Center</b>  | <b>\$10.00</b>              |
|           | <b>General Services</b>  |                             |
|           | 1. Capital Workforce   | \$3.00                      |
|           | 2. DPW   | 2.00                        |
|           | 3. Recreation  | 1.20                        |
|           | 4. Police  | 1.20                        |
|           | 5. Health  | 3.00                        |
|           | 6. Civic Center  | 0.75                        |
|           | 7. Elections   | 0.25                        |
|           | 8. Fire  | 2.70                        |
|           | 9. PLD   | 0.90                        |
|           | <b>Total General Services</b>  | <b>\$15.00</b>              |
|           | <b>TOTAL MUNICIPAL FACILITIES</b>  | <b>\$35.00</b>              |
| <b>V</b>  | <b><u>MUSEUMS, LIBRARIES, RECREATION, AND OTHER CULTURAL FACILITIES (PROPOSAL R)</u></b> |                             |
|           | <b>Detroit Institute of Arts</b>   |                             |
|           | 1. Facility Improvements   | \$25.00                     |
|           | <b>C.H. Wright Museum African American History</b>                                       | <b>\$2.50</b>               |
|           | 1. Facility Improvements   |                             |
|           | <b>Historical Museum</b>   |                             |
|           | 1. Collections Resource Center   | \$2.00                      |
|           | 2. Dossin Museum   | 1.00                        |
|           | <b>Total Historical</b>  | <b>\$3.00</b>               |
|           | <b>Detroit Public Library</b>  |                             |
|           | 1. Children's Museum   | \$3.50                      |
|           | 2. Demolition: Mark Twain, Chandler Park and Chaney                                      | 1.00                        |
|           | 3. Main Lib Structural Needs   | 14.00                       |
|           | 4. Branch Librares   | 6.50                        |
|           | <b>Total Library</b>   | <b>\$25.00</b>              |

**CITY OF DETROIT  
GENERAL OBLIGATION BONDS PROJECT LISTING  
2008 REQUEST FOR ADDITIONAL VOTER AUTHORIZATION**

| <b>BONDS BALLOT PROPOSALS</b>  | <b>AMOUNT (in millions)</b> |                |
|--|-----------------------------|----------------|
| <b>Recreation Department</b>   |                             |                |
| 1. Capital Operations (workforce)  | \$4.00                      |                |
| 2. Parks and Landscapes  | 12.00                       |                |
| 3. Belle Isle renovation and improvements                                  | 9.00                        |                |
| <b>Total Recreation</b>  |                             | <b>\$25.00</b> |
| <b>Zoological Institute</b>  |                             |                |
| 1. Electric/Water /Sewer Line Improvements                                 | \$0.50                      |                |
| 2. Structural Infrastructure   | 1.10                        |                |
| 3. Roof Replacement  | 0.75                        |                |
| 4. Repair of Gunite  | 0.75                        |                |
| 5. Roadway Repair  | 0.87                        |                |
| 6. HVAC/ Boiler Relacement/Underground                                     | 1.35                        |                |
| 7. Fire Detection System Upgrade   | 1.00                        |                |
| 8. Belle Isle Nature Zoo   | 1.00                        |                |
| 9. Sidewalks/ADA Accessiablity   | 0.3                         |                |
| 10. Rhino Building building Renovation                                     | 0.5                         |                |
| 11. Restroom Renovation  | 0.3                         |                |
| 12. Support Facilities/Outbuildings  | 0.58                        |                |
| <b>Total Zoo</b>   |                             | <b>\$9.00</b>  |
| <b>Eastern Market</b>  |                             |                |
| 1. Infrastructure Improvements   |                             | <b>\$7.50</b>  |
| <b>TOTAL MUSEUMS, LIBRARIES, RECREATION, AND OTHER CULTURAL FACILITIES</b> |                             | <b>\$97.00</b> |

**VI TRANSPORTATION IMPROVEMENTS (PROPOSAL T)**

|  |        |                 |
|--|--------|-----------------|
| <b>Airport</b>   |        |                 |
| 1. Renovate Executive Terminal                         | \$5.00 |                 |
| 2. Local Match and Compliance                          | 2.00   |                 |
| 3. Hanger Construction                                 | 1.00   |                 |
| 4. New Cargo Area                                      | 0.38   |                 |
| 5. Construct Replacement Runway                        | 1.50   |                 |
| 6. Airport Signage Improvements                        | 0.10   |                 |
| 7. Grading & Leveling DelaSalle Parcel                 | 1.71   |                 |
| 8. Other   | 0.31   |                 |
| <b>Total Airport</b>                                   |        | <b>\$12.00</b>  |
| <b>TOTAL TRANSPORTATION IMPROVEMENTS</b>               |        | <b>\$12.00</b>  |
| <b>TOTAL GENERAL OBLIGATION BONDS BALLOT PROPOSALS</b> |        | <b>\$263.00</b> |



## **RESOLUTION**

**BY COUNCIL MEMBER \_\_\_\_\_:**

**WHEREAS**, Art. 9, §6 and §§25-34 of the 1963 Michigan Constitution, requires the approval of a majority of qualified electors of the City of Detroit as a condition precedent to the issuance of General Obligation Bonds of the City secured by *ad valorem* taxes in addition to state statutory and City Charter limits;

**WHEREAS**, the Detroit City Council deems it necessary for the preservation of the public peace, health, safety, and welfare of the People of the City of Detroit that public improvements and projects for neighborhood redevelopment and housing rehabilitation programs and economic development programs be made and financed, and that the cost, or part of the cost thereof, be defrayed from proceeds of the sale of General Obligation Bonds of the City of Detroit currently outstanding or to be issued, which shall be secured by the full faith and credit of the City of Detroit and for which *ad valorem* taxes may be levied, in addition to state statutory and City Charter limits, by the City of Detroit;

**WHEREAS**, funds in the amount of \$25,000,000 from the proceeds of the sale of General Obligation Bonds of the City of Detroit will be used for project improvements to various City of Detroit neighborhood redevelopment and housing rehabilitation programs and economic development projects; and

**WHEREAS**, the estimated millage rate in the first year and simple average annual millage rate set forth in the bond proposition are reasonable estimates of such millage rates based on current assumptions;

**NOW THEREFORE BE IT RESOLVED** that, as the legislative body of the City of Detroit, the Detroit City Council hereby determines to submit to the qualified electors of the City of Detroit at the November 4, 2008 General Election a proposal authorizing the issuance of capital improvement bonds for project improvements to various neighborhood redevelopment and housing rehabilitation programs and economic development projects for the City of Detroit;

**BE IT FURTHER RESOLVED** that said proposal be printed upon the ballot for the November 4, 2008 General Election as follows:

### **Proposal - City of Detroit Neighborhood Redevelopment and Economic Development Programs Bonding Proposal**

"Do you favor the authorization and issuance of General Obligation Unlimited Tax Bonds, payable from taxes the City is allowed to levy in addition to state statutory and City Charter limits, in an amount necessary to pay the principal and interest thereon in the principal sum of an amount not to exceed Twenty-Five Million Dollars (\$25,000,000) over three years for the purpose of paying the cost of improvements to various neighborhood redevelopment and housing rehabilitation projects, and for economic development projects? The estimated millage

that will be levied per \$1,000 of the taxable value of property located in the City to pay for the proposed bonds will be \$0.1509 in the first year, which will raise in the first year an estimated amount of Three Million Dollars (\$3,000,000), and the estimated simple average annual millage rate over the life of the bonds, which will not exceed 30 years from the date of issuance, is .0893 mills (\$.0893 per \$1,000 of taxable value). If approved, this would be a renewal of a previously authorized millage."

Yes \_\_

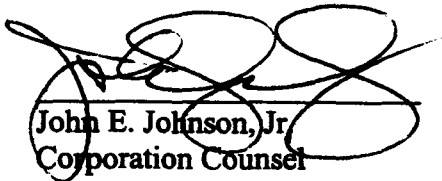
No \_\_

**BE IT FURTHER RESOLVED** that, before submission of said proposal to the voters of the City of Detroit, such proposal shall be published in full as a part of the official proceedings of the Detroit City Council in *The Detroit Legal News*;

**BE IT FURTHER RESOLVED** that said proposal shall be posted, in full, in a conspicuous place in each polling place on the day of the November 4, 2008 General Election; and

**BE IT FURTHER RESOLVED** that a copy of this Resolution be transmitted to the Detroit Election Commission to certify the wording of the above ballot proposal, within the time prescribed by law, for placement on the ballot for the November 4, 2008 General Election.

Approved as to form:

  
John E. Johnson, Jr.  
Corporation Counsel

## **RESOLUTION**

**BY COUNCIL MEMBER \_\_\_\_\_:**

**WHEREAS**, Art. 9, §6 and §§25-34 of the 1963 Michigan Constitution, requires the approval of a majority of qualified electors of the City of Detroit as a condition precedent to the issuance of General Obligation Bonds of the City secured by *ad valorem* taxes in addition to state statutory and City Charter limits;

**WHEREAS**, the Detroit City Council deems it necessary for the preservation of the public peace, health, safety, and welfare of the People of the City of Detroit that improvements for public safety purposes, including Police, Fire, Emergency Medical Services (EMS), Health and other municipal facilities, be made and financed, and that the cost, or part of the cost thereof, be defrayed from the proceeds of the sale of General Obligation Bonds of the City of Detroit currently outstanding or to be issued, which shall be secured by the full faith and credit of the City of Detroit and for which *ad valorem* taxes may be levied, in addition to state statutory and City Charter limits, by the City of Detroit;

**WHEREAS**, funds in the amount of \$72,000,000 from the proceeds of the sale of General Obligation Bonds of the City of Detroit, will be used to acquire, construct, renovate, or rehabilitate City of Detroit public safety projects relating to Police, Fire and EMS; and Health and other municipal facilities and

**WHEREAS**, the estimated millage rate in the first year and simple average annual millage rate set forth in the bond proposition are reasonable estimates of such millage rates based on current assumptions;

**NOW THEREFORE BE IT RESOLVED** that, as the legislative body of the City of Detroit, the Detroit City Council hereby determines to submit to the qualified electors of the City of Detroit at the November 4, 2008 General Election a proposal authorizing the issuance of capital improvement bonds for public improvements relating to City of Detroit public safety, including Police, Fire, EMS, Health and other municipal facilities;

**BE IT FURTHER RESOLVED** that said proposal be printed upon the ballot for the November 4, 2008 General Election as follows:

### **Proposal - City of Detroit Public Safety Improvements Bonding Proposal**

"Do you favor the authorization and issuance of General Obligation Unlimited Tax Bonds, payable from taxes the City is allowed to levy in addition to state statutory and City Charter limits, in an amount necessary to pay the principal and interest thereon in the principal sum of an amount not to exceed Seventy-Two Million Dollars (\$72,000,000) over three years for the purpose of paying the cost of acquisition, construction, renovation, or rehabilitation of public safety projects relating to, Police, Fire, Emergency Medical Services (EMS), Health facilities and other

municipal facilities public safety improvements? The estimated millage that will be levied per \$1,000 of the taxable value of property located in the City to pay for the proposed bonds will be \$0.4346 in the first year, which will raise in the first year an estimated amount of Nine Million Dollars (\$9,000,000) and the estimated simple average annual millage rate over the life of the bonds, which will not exceed 30 years from the date of issuance, is .2573 mills (\$0.2573 per \$1,000 of taxable value). If approved, this would be a renewal of a previously authorized millage."

Yes \_\_\_\_\_

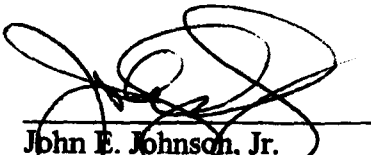
No \_\_\_\_\_

**BE IT FURTHER RESOLVED** that, before submission of said proposal to the voters of the City of Detroit, such proposal shall be published in full as a part of the official proceedings of the Detroit City Council in *The Detroit Legal News*;

**BE IT FURTHER RESOLVED** that said proposal shall be posted, in full, in a conspicuous place in each polling place on the day of the November 4, 2008 General Election; and

**BE IT FURTHER RESOLVED** that a copy of this Resolution be transmitted to the Detroit Election Commission to certify the wording of the above ballot proposal, within the time prescribed by law, for placement on the ballot for the November 4, 2008 General Election.

Approved as to form:



John E. Johnson, Jr.  
Corporation Counsel

## **RESOLUTION**

**BY COUNCIL MEMBER \_\_\_\_\_ :**

**WHEREAS**, Art. 9, §6 and §§25-34 of the 1963 Michigan Constitution, requires the approval of a majority of qualified electors of the City of Detroit as a condition precedent to the issuance of General Obligation Bonds of the City secured by *ad valorem* taxes in addition to state statutory and City Charter limits;

**WHEREAS**, the Detroit City Council deems it necessary for the preservation of the public peace, health, safety, and welfare of the People of the City of Detroit that public lighting service improvements be made and financed, and that the cost, or part of the cost thereof, be defrayed from proceeds of the sale of General Obligation Bonds of the City of Detroit currently outstanding or to be issued, which shall be secured by the full faith and credit of the City of Detroit and for which *ad valorem* taxes may be levied, in addition to state statutory and City Charter limits, by the City of Detroit;

**WHEREAS**, funds in the amount of \$22,000,000 from the proceeds of the sale of General Obligation Bonds of the City of Detroit will be used for improving City of Detroit street and alley lighting, emergency communications, service extensions, and for improvements required to supply light and power to the City; and

**WHEREAS**, the estimated millage rate in the first year and simple average annual millage rate set forth in the bond proposition are reasonable estimates of such millage rates based on current assumptions;

**NOW THEREFORE BE IT RESOLVED** that, as the legislative body of the City of Detroit, the Detroit City Council hereby determines to submit to the qualified electors of the City of Detroit at the November 4, 2008 General Election a proposal authorizing the issuance of capital improvement bonds for public lighting service improvements;

**BE IT FURTHER RESOLVED** that said proposal be printed upon the ballot for the November 4, 2008 General Election as follows:

### **Proposal - City of Detroit Public Lighting Service Bonding Proposal**

"Do you favor the authorization and issuance of General Obligation Unlimited Tax Bonds, payable from taxes the City is allowed to levy in addition to state statutory and City Charter limits, in an amount necessary to pay the principal and interest thereon in the principal sum of an amount not to exceed Twenty-Two Million Dollars (\$22,000,000) over three years for the purpose of paying the cost of improving street and alley lighting,

emergency communications, service extensions, and improvements required to supply light and power? The estimated millage that will be levied per \$1,000 of the taxable value of property located in the City to pay for the proposed bonds will be \$0.1328 in the first year, which will raise in the first year an estimated amount of Seven Million Dollars (\$7,000,000) and the estimated simple average annual millage rate over the life of the bonds, which will not exceed 30 years from the date of issuance, is .0786 mills (\$0.0786 per \$1,000 of taxable value). If approved, this would be a renewal of a previous authorized millage."

Yes \_\_\_\_\_

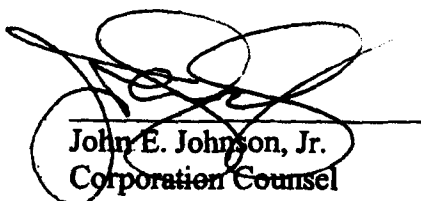
No \_\_\_\_\_

**BE IT FURTHER RESOLVED** that, before submission of said proposal to the voters of the City of Detroit, such proposal shall be published in full as a part of the official proceedings of the Detroit City Council in *The Detroit Legal News*;

**BE IT FURTHER RESOLVED** that said proposal shall be posted, in full, in a conspicuous place in each polling place on the day of the November 4, 2008 General Election; and

**BE IT FURTHER RESOLVED** that a copy of this Resolution be transmitted to the Detroit Election Commission to certify the wording of the above ballot proposal, within the time prescribed by law, for placement on the ballot for the November 4, 2008 City of Detroit General Election.

Approved as to form:



John E. Johnson, Jr.  
Corporation Counsel

## **RESOLUTION**

**BY COUNCIL MEMBER \_\_\_\_\_:**

**WHEREAS**, Art. 9, §6 and §§25-34 of the 1963 Michigan Constitution, requires the approval of a majority of qualified electors of the City of Detroit as a condition precedent to the issuance of General Obligation Bonds of the City secured by *ad valorem* taxes in addition to state statutory and City Charter limits;

**WHEREAS**, the Detroit City Council deems it necessary for the preservation of the public peace, health, safety, and welfare of the People of the City of Detroit that the acquisition, construction, renovation and rehabilitation of various municipal facilities be financed, and that the cost, or part of the cost thereof, be defrayed from the proceeds of the sale of General Obligation Bonds of the City of Detroit currently outstanding or to be issued, which shall be secured by the full faith and credit of the City of Detroit and for which *ad valorem* taxes may be levied, in addition to state statutory and City Charter limits, by the City of Detroit;

**WHEREAS**, funds in the amount of \$35,000,000 from the proceeds of the sale of General Obligation Bonds of the City of Detroit will be used to acquire, construct, renovate, or rehabilitate various City of Detroit municipal facilities; and

**WHEREAS**, the estimated millage rate in the first year and simple average annual millage rate set forth in the bond proposition are reasonable estimates of such millage rates based on current assumptions;

**NOW THEREFORE BE IT RESOLVED** that, as the legislative body of the City of Detroit, the Detroit City Council hereby determines to submit to the qualified electors of the City of Detroit at the November 4, 2008 General Election a proposal authorizing the issuance of capital improvement bonds for public improvements of various municipal facilities;

**BE IT FURTHER RESOLVED** that said proposal be printed upon the ballot for the November 4, 2008 General Election as follows:

### **Proposal - City of Detroit Municipal Facilities Bonding Proposal**

"Do you favor the authorization and issuance of General Obligation Unlimited Tax Bonds, payable from taxes the City is allowed to levy in addition to state statutory and City Charter limits, in an amount necessary to pay the principal and interest thereon in the principal sum of an amount not to exceed Thirty-Five Million Dollars (\$35,000,000) over three years for the purpose of paying the cost of acquisition, construction, renovation,

or rehabilitation of Detroit municipal facilities? The estimated millage that will be levied per \$1,000 of the taxable value of property located in the City to pay for the proposed bonds will be \$.2113 in the first year, which will raise in the first year an estimated amount of Five Million Dollars (\$5,000,000) and the estimated simple average annual millage rate over the life of the bonds, which will not exceed 30 years from the date of issuance, is 0.1251 mills (\$0.1251 per \$1,000 of taxable value). If approved, this would be a renewal of a previously authorized millage."

Yes \_\_\_\_\_

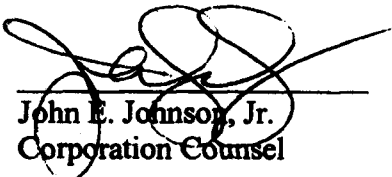
No \_\_\_\_\_

**BE IT FURTHER RESOLVED** that, before submission of said proposal to the voters of the City of Detroit, such proposal shall be published in full as a part of the official proceedings of the Detroit City Council in *The Detroit Legal News*;

**BE IT FURTHER RESOLVED** that said proposal shall be posted, in full, in a conspicuous place in each polling place on the day of the November 4, 2008 General Election; and

**BE IT FURTHER RESOLVED** that a copy of this Resolution be transmitted to the Detroit Election Commission to certify the wording of the above ballot proposal, within the time prescribed by law, for placement on the ballot for the November 4, 2008 General Election.

Approved as to form:

  
John E. Johnson, Jr.  
Corporation Counsel



## RESOLUTION

**BY COUNCIL MEMBER \_\_\_\_\_:**

**WHEREAS**, Art. 9, §6 and §§25-34 of the 1963 Michigan Constitution, requires the approval of a majority of qualified electors of the City of Detroit as a condition precedent to the issuance of General Obligation Bonds of the City secured by *ad valorem* taxes in addition to state statutory and City Charter limits;

**WHEREAS**, the Detroit City Council deems it necessary for the preservation of the public peace, health, safety, and welfare of the People of the City of Detroit that public improvements to museums, libraries, recreation, and cultural facilities be made and financed, and that the cost, or part of the cost thereof, be defrayed from proceeds of the sale of General Obligation Bonds of the City of Detroit currently outstanding or to be issued, which shall be secured by the full faith and credit of the City of Detroit and for which *ad valorem* taxes may be levied, in addition to state statutory and City Charter limits, by the City of Detroit;

**WHEREAS**, funds in the amount of \$97,000,000 from the proceeds of the sale of General Obligation Bonds of the City of Detroit will be used to acquire, construct, renovate, or rehabilitate various City of Detroit museums, libraries, recreation and other cultural facilities; and

**WHEREAS**, the estimated millage rate in the first year and simple average annual millage rate set forth in the bond proposition are reasonable estimates of such millage rates based on current assumptions;

**NOW THEREFORE BE IT RESOLVED** that, as the legislative body of the City of Detroit, the Detroit City Council hereby determines to submit to the qualified electors of the City of Detroit at the November 4, 2008 General Election a proposal authorizing the issuance of capital improvement bonds for public improvements of recreation, zoo, and cultural facilities;

**BE IT FURTHER RESOLVED** that said proposal be printed upon the ballot for the November 4, 2008 General Election as follows:

**Proposal - City of Detroit Museums, Libraries, and Recreation  
and Other Cultural Facilities Bonding Proposal**

"Do you favor the authorization and issuance of General Obligation Unlimited Tax Bonds, payable from taxes the City is allowed to levy in addition to state statutory and City Charter limits, in an amount necessary to pay the principal and interest thereon in the principal sum of an amount not to exceed Ninety-Seven Million Dollars (\$97,000,000) over three years for the purpose of paying the cost of acquisition, construction, renovation,

or rehabilitation of City of Detroit Museums, Detroit Public Library Facilities, Recreation, and other Cultural facilities? The estimated millage that will be levied per \$1,000 of the taxable value of property located in the City to pay for the proposed bonds will be \$.5855 in the first year, which will raise in the first year an estimated amount of Twenty-Three Million Dollars (\$23,000,000) and the estimated simple average annual millage rate over the life of the bonds, which will not exceed 30 years from the date of issuance, is 0.3466 mills (\$0.3466 per \$1,000 of taxable value). If approved, this would be a renewal of a previously authorized millage."

Yes \_\_\_\_

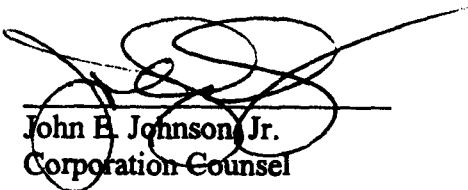
No \_\_\_\_

**BE IT FURTHER RESOLVED** that, before submission of said proposal to the voters of the City of Detroit, such proposal shall be published in full as a part of the official proceedings of the Detroit City Council in *The Detroit Legal News*;

**BE IT FURTHER RESOLVED** that said proposal shall be posted, in full, in a conspicuous place in each polling place on the day of the November 4, 2008 General Election; and

**BE IT FURTHER RESOLVED** that a copy of this Resolution be transmitted to the Detroit Election Commission to certify the wording of the above ballot proposal, within the time prescribed by law, for placement on the ballot for the November 4, 2008 General Election.

Approved as to form:

  
John E. Johnson, Jr.  
Corporation Counsel

## RESOLUTION

**BY COUNCIL MEMBER \_\_\_\_\_:**

**WHEREAS**, Art. 9, §6 and §§25-34 of the 1963 Michigan Constitution, requires the approval of a majority of qualified electors of the City of Detroit as a condition precedent to the issuance of General Obligation Bonds of the City secured by *ad valorem* taxes in addition to state statutory and City Charter limits;

**WHEREAS**, the Detroit City Council deems it necessary for the preservation of the public peace, health, safety, and welfare of the People of the City of Detroit that the acquisition, construction, renovation and rehabilitation of various municipal facilities be financed, and that the cost, or part of the cost thereof, be defrayed from the proceeds of the sale of General Obligation Bonds of the City of Detroit currently outstanding or to be issued, which shall be secured by the full faith and credit of the City of Detroit and for which *ad valorem* taxes may be levied, in addition to state statutory and City Charter limits, by the City of Detroit;

**WHEREAS**, funds in the amount of \$12,000,000 from the proceeds of the sale of General Obligation Bonds of the City of Detroit will be used to acquire, construct, renovate, or rehabilitate various City of Detroit transportation facilities; and

**WHEREAS**, the estimated millage rate in the first year and simple average annual millage rate set forth in the bond proposition are reasonable estimates of such millage rates based on current assumptions;

**NOW THEREFORE BE IT RESOLVED** that, as the legislative body of the City of Detroit, the Detroit City Council hereby determines to submit to the qualified electors of the City of Detroit at the November 4, 2008 General Election a proposal authorizing the issuance of capital improvement bonds for public improvements of various transportation facilities;

**BE IT FURTHER RESOLVED** that said proposal be printed upon the ballot for the November 4, 2008 General Election as follows:

**Proposal - City of Detroit Transportation Facilities Bonding  
Proposal**

"Do you favor the authorization and issuance of General Obligation Unlimited Tax Bonds, payable from taxes the City is allowed to levy in addition to state statutory and City Charter limits, in an amount necessary to pay the principal and interest thereon in the principal sum of an amount not to exceed Twelve Million Dollars (\$12,000,000) over three years for the purpose of

paying the cost of acquisition, construction, renovation, or rehabilitation of Detroit transportation facilities? The estimated millage that will be levied per \$1,000 of the taxable value of property located in the City to pay for the proposed bonds will be .0724 in the first year, which will raise in the first year an estimated amount of Three Million Dollars (\$3,000,000) and the estimated simple average annual millage rate over the life of the bonds, which will not exceed 30 years from the date of issuance, is .0429 mills (\$.0429 per \$1,000 of taxable value). If approved, this would be a renewal of a previously authorized millage."

Yes \_\_\_\_\_

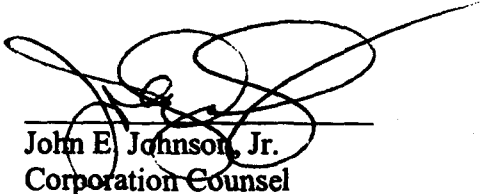
No \_\_\_\_\_

**BE IT FURTHER RESOLVED** that, before submission of said proposal to the voters of the City of Detroit, such proposal shall be published in full as a part of the official proceedings of the Detroit City Council in *The Detroit Legal News*;

**BE IT FURTHER RESOLVED** that said proposal shall be posted, in full, in a conspicuous place in each polling place on the day of the November 4, 2008 General Election; and

**BE IT FURTHER RESOLVED** that a copy of this Resolution be transmitted to the Detroit Election Commission to certify the wording of the above ballot proposal, within the time prescribed by law, for placement on the ballot for the November 4, 2008 General Election.

Approved as to form:



John E. Johnson, Jr.  
Corporation Counsel

November 2007

**CITY OF DETROIT**  
**GENERAL OBLIGATION BONDS PROJECT LISTING**  
**FY2005 REQUEST FOR ADDITIONAL VOTER AUTHORIZATION**

| Balance    |   |         |                      |
|------------|---|---------|----------------------|
| Score card | BONDS BALLOT PROPOSALS  |         | AMOUNT (in millions) |
| I          | <b>NEIGHBORHOOD REDEVELOPMENT AND ECONOMIC DEVELOPMENT (PROPOSAL N)</b> |         |                      |
|            | Planning & Development  |         |                      |
| E, R       | 1. Art Center   | \$0.35  |                      |
| E, R       | 2. Brush Park   | 6.00    |                      |
| E, R       | 3. Chalmers Heights   | 1.50    |                      |
| E, R       | 4. Commercial-Industrial Development Sites                              | 2.50    |                      |
| E, R       | 5. Eastern Market/Wholesale Distribution                                | 1.90    |                      |
| E, R       | 6. Far East Development Study   | 0.50    |                      |
| E, R       | 7. Jefferson-Chalmers   | 1.75    |                      |
| E, R       | 8. McDougall Hunt   | 1.50    |                      |
| E, R, S    | 9. Traffic Ways Development Fund  | 2.00    |                      |
| E, R       | 10. Virginia Park   | 1.00    |                      |
|            | Total Planning & Development  |         |                      |
|            | <b>TOTAL NEIGHBORHOOD REDEVELOPMENT AND ECONOMIC DEV.</b>               |         | <b>\$19.00</b>       |
| II         | <b>PUBLIC SAFETY (PROPOSAL S)</b>                                       |         |                      |
|            | Police Department   |         |                      |
| S          | 1. Prisoner Detention Center (DOJ)                                      | \$30.00 |                      |
| S          | 2. Crime Laboratory   | 20.00   |                      |
| S          | 3. Precinct, Police Headquarters and other facility renovations (DOJ)   | 5.00    |                      |
| S          | 4. Retrofit Five Precinct Firing Ranges (DOJ)                           | 9.00    |                      |
| S, R       | 5. Property Room  | 14.00   |                      |
|            | DOJ is Department of Justice consent decree mandatory projects.         |         |                      |
|            | Total Police  |         | \$78.00              |
|            | Fire and EMS  |         |                      |
| S          | 1. Major renovations of Fire Facilities                                 | \$3.50  |                      |
| S          | 2. New construction- Fire Stations                                      | 10.00   |                      |
| S          | 3. New construction- Training Facility                                  | 4.00    |                      |
|            | Total Fire and EMS  |         | \$17.50              |
|            | Health and Wellness Promotion   |         |                      |
| C, S, R    | 1. Primary Care Clinics (four)  | \$1.20  |                      |
| C, S, R    | 2. Animal Control and Care facility                                     | 1.80    |                      |
| C, S, R    | 3. Herman Keifer Facility- Client Services and Support                  | 2.20    |                      |
| C, S, R    | 4. Herman Keifer Facility- Pavillions                                   | 2.30    |                      |
|            | Total Health and Wellness Promotion                                     |         | \$7.50               |
|            | Civic Center  |         |                      |
| E, S, R    | 1. Fire Suppression Systems   | \$7.00  |                      |
| E, S, R    | 2. Hart Plaza- ADA Upgrades   | 2.00    |                      |
|            | Total Civic Center  |         | \$9.00               |
|            | Department of Public Works  |         |                      |
| C, E, S, R | 1. Detroit Intelligent Traffic System (ITS) Pilot Project               | \$6.00  |                      |
|            | Total Public Works  |         | \$6.00               |
|            | Recreation Department   |         |                      |
| C, R, S    | 1. Fire Safety and ADA improvements                                     | \$2.00  |                      |
|            | Total Recreation  |         | \$2.00               |
|            | <b>TOTAL PUBLIC SAFETY</b>  |         | <b>\$120.00</b>      |

November 2004

**CITY OF DETROIT  
GENERAL OBLIGATION BONDS PROJECT LISTING  
FY2005 REQUEST FOR ADDITIONAL VOTER AUTHORIZATION**

| <b>Balance<br/>Score card</b> | <b>BONDS BALLOT PROPOSALS</b>                                      | <b>AMOUNT (in millions)</b> |
|-------------------------------|--|-----------------------------|
| <b>III</b>                    | <b><u>PUBLIC LIGHTING SERVICE (PROPOSAL L)</u></b>                 |                             |
|                               | Public Lighting Department   |                             |
| C                             | 1. Generator # 7 control system upgrade                            | \$1.50                      |
| C                             | 2. Generator # 6 mechanical system upgrade                         | 1.80                        |
| C, S                          | 3. SCADA System upgrade  | 0.50                        |
| C                             | 4. Substation battery replacement                                  | 0.40                        |
| C                             | 5. Power Plant Roof replacement                                    | 1.00                        |
| C, F                          | 6. Distribution system infrastructure improvements                 | 1.50                        |
| C, E, S                       | 7. New electric service extensions                                 | 1.40                        |
| C                             | 8. Substation transformer replacement                              | 1.00                        |
| C                             | 9. Porter substation 24kv breaker replacement                      | 2.00                        |
| C, R, S                       | 10. Traffic Signal Secondary service upgrades                      | 1.20                        |
| C, R, S                       | 11. Street Lighting Infrastructure improvements                    | 1.70                        |
| C                             | 12. Russell substation/DTE interconnect                            | 3.00                        |
| C                             | 13. Power plant switch house replacement                           | 5.00                        |
|                               | <b>TOTAL PUBLIC LIGHTING SERVICE</b>                               | <b><u>\$22.00</u></b>       |
| <b>IV</b>                     | <b><u>RECREATION, ZOO AND CULTURAL FACILITIES (PROPOSAL R)</u></b> |                             |
|                               | Recreation Department  |                             |
| C, R                          | 1. Belle Isle renovation and improvements                          | \$7.00                      |
| C, R                          | 2. Park renovation and improvements                                | 5.00                        |
|                               | <b>Total Recreation</b>  | <b>\$12.00</b>              |
|                               | Zoological Institute   |                             |
| R                             | 1. Penguinarium renovation/mechanical system                       | \$0.75                      |
| R                             | 2. Railroad Trains/trams   | 0.50                        |
| R                             | 3. Roof replacement  | 1.25                        |
| R                             | 4. Belle Isle Nature Zoo   | 5.50                        |
|                               | <b>Total Zoo</b>   | <b>\$8.00</b>               |
|                               | Cultural Affairs   |                             |
| E, R                          | 1. Eastern Market  | <b><u>\$2.00</u></b>        |
|                               | <b>TOTAL RECREATION, ZOO AND CULTURAL FACILITIES</b>               | <b><u>\$22.00</u></b>       |

November 2004

**CITY OF DETROIT  
GENERAL OBLIGATION BONDS PROJECT LISTING  
FY2005 REQUEST FOR ADDITIONAL VOTER AUTHORIZATION**

| <b>Balance<br/>Score card</b> | <b>BONDS BALLOT PROPOSALS</b>                                 | <b>AMOUNT (in millions)</b> |
|-------------------------------|---|-----------------------------|
| <b>V</b>                      | <b><u>TRANSPORTATION IMPROVEMENTS (PROPOSAL T)</u></b>        |                             |
|                               | Department of Transportation                                  |                             |
| C, R                          | 1. Bus Replacement  | \$12.00                     |
|                               | <b>Total Department of Transportation</b>                     | <b>\$12.00</b>              |
|                               | Detroit Transportation Corporation                            |                             |
| C, R                          | 1. People Mover- Midlife Vehicle Overhaul                     | \$12.00                     |
| C, R                          | 2. People Mover- Replacement of ATC Loop Cable                | 0.25                        |
| C, R                          | 3. People Mover- Replacement of Escalators (2 to 4 out of 14) | <u>2.75</u>                 |
|                               | <b>Total Detroit Transportation Corporation</b>               | <b>\$15.00</b>              |
|                               | Airport   |                             |
| C, R                          | 1. Land Acquisition- Minitake Phase 3 and 4                   | \$2.50                      |
| C, R, S                       | 2. Security Improvements                                      | <u>2.50</u>                 |
|                               | <b>Total Airport</b>  | <b>\$5.00</b>               |
|                               | <b>TOTAL TRANSPORTATION IMPROVEMENTS</b>                      | <b><u>\$32.00</u></b>       |
|                               | <b>TOTAL GENERAL OBLIGATION BONDS BALLOT PROPOSALS</b>        | <b><u>\$215.00</u></b>      |

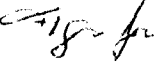
**BALANCE SCORECARD KEY**

E= Accelerate ECONOMIC & BUSINESS DEVELOPMENT  
F= Improve FINANCIAL HEALTH  
S= Improve PUBLIC SAFETY  
C= Improve CITY SERVICES  
R= Improve KEY STAKEHOLDER RELATIONSHIPS

CITY OF DETROIT  
BUDGET DEPARTMENT

2 WOODWARD AVE., SUITE 1100  
DETROIT, MICHIGAN 48226  
PHONE 313•224•6260  
FAX 313•224•2827  
WWW.CL.DETROIT.MI.US

TO: Irvin Corley, Jr.,  
Fiscal Analysis Director

FROM: Pamela C. Scales, Director   
Budget Department

DATE: July 24, 2008

RE: **Bond Ballot Proposals for the November 2008 Election**

The Budget Department submits the following response to questions regarding the above subject matter. The appropriate agencies were contacted regarding their related questions and have submitted a response under a separate communication, which is attached.

Issues and Questions:

1. Please provide a chart by department that shows in which departments' remains the \$63 million in current unauthorized bonds.

**Attached is the General Obligation Bond Sale and Remaining Authorization (in millions) spreadsheet which outlines the most recent budgeted bond sale (FY 2008-09) and the remaining voter authorization after the sale. Please note a correction to the total remaining voter authorization. The correct total is \$62,125,000 not \$63,080,000 as previously communicated. The revision is due to the addition of the Charles Wright Museum bonds (\$955,000) to the FY 2008-09 capital budget as amended and adopted by City Council.**

2. Please provide a breakdown by agency of the bonds that have been sold but not yet expended and detail what projects they are to be used for.

**Attached is the General Obligation Bond Sale Free Balances spreadsheet which outlines the unencumbered/unreserved bond amounts as of June 30, 2008. As you are aware, the city recently completed the sale of the FY 2006-07 general obligation bonds. Bonds remaining to be sold are the FY 2007-08 budget and the current FY 2008-09 budget. It is unknown at this time when these bonds will be sold due to the outstanding FY 2007 CAFR. Included in the free balances reported on the attached spreadsheet is the FY 2007-08 bonds which have not been sold to date.**



3. Planning and Development- Please provide additional detail on the projects in citywide infrastructure improvements.

**From the Planning & Development Department:**

We have not identified specific projects for this category in that we cannot accurately predict when a project is going to be approved, and "ready to go". Therefore we asked for an amount, based on the number of projects that are in need of infrastructure and the time frame for approval of projects that would be supported by the infrastructure and the likelihood of approval by the City Council.

4. Planning and Development- Please explain both the Bell Building project and Core City Neighborhood project in more detail.

**From the Planning & Development Department:**

**Bell Building:** NSO (Neighborhood Service Organization) is acquiring the 253,000 square feet vacant Bell Building located at 882 Oakman Blvd., for the following: 1) NSO Administrative and Service Headquarters, Older Adult Services, Emergency Telephone Service/Suicide prevention.

2) Supportive Housing - the presence of NSO offices will provide a strong anchor for providing 101 units of permanent supportive housing in the rest of the building for those who have been chronically homeless and others with special needs. Funds to be used to contribute to the renovation of the Bell Building Structure.

**Core City:** Funds will be used for infrastructure improvements to support ongoing affordable housing projects in the area

5. Planning and Development- Please detail what the \$19 million authorized in 2004 was actually used for.

**For question 5, please see the attached spreadsheet.**

6. Police- How much of the \$78 million authorized in 2004 has been appropriated/expended and what projects were chosen?

**From the Detroit Police Department:**

The Detroit Police Department has received appropriations totaling seventy-one percent (71%) or \$55.5 million of the \$78 million authorized by the citizens of Detroit in 2004. These appropriations included funding for the Forensic Laboratory/Property Room, Prisoner Detention Center and Precinct and Facility Renovations projects.

7. Civic Center- Were the fire suppression systems at Cobo and the ADA upgrades at Hart Plaza completed as listed in the 2004 bond proposal? If not, what was completed instead?

**From the Civic Center Department:**

**The ADA upgrades at Hart Plaza were not completed. The scope exceeded the available budget. Proceeds from the 2004 budget proposal were used to upgrade Cobo Center's fire suppression and security systems.**

8. PLD- Of the \$52 million authorized in the last 2 bond sales how much has been spent on maintaining the existing systems and how much has been appropriated for new construction infrastructure?

**Please see the attached communication from the Public Lighting Department.**

9. General Services- Please provide some detail regarding the projects needed for each of the departments listed.

**A separate communication from the General Services Department will follow at a later date.**

10. Detroit Public Library- Please provide a rationale as to why this needs to go through the city when the DPL has chosen to separately handle the operating millage proposals?

**Please see the attached communication from the Detroit Public Library.**

11. Eastern Market- Please explain the projects proposed with this funding.

**Please see the attached communication from the Eastern Market Corporation.**

12. Airport- What projects were completed with the \$10 million they received in the last two authorizations, and why is the city committed to such a large increase for the airport when there is little activity taking place there?

**From the Coleman A. Young Municipal Airport:**

**The majority of the Airport general obligation bond funds from the last two authorizations were used in the Land Acquisition Program. The purpose of this program is to clear the primary surface and building restriction line for the existing runways. This program is a requirement of the Federal Aviation Administration (FAA) and requires continued funding. Phases I through III plus building demolition are complete and Phase IV is substantially complete.**

**There is much general aviation business activity at the airport. The Airport averages 75,000 take offs and landings annually and has over 120 based aircraft.**

**The City of Detroit is the owner/sponsor of the Airport and must continue to participate in capital funding to be eligible for Federal and State funds. Continued investment in the Airport's infrastructure is a clear signal of the facility's significance and value. An investment such as the one in question leverages additional Federal, State and private funds. The current FAA funding formula is 95% Federal and 5% State and local. In the case of a public-private partnership, the Airport will remain a City of Detroit asset. The City must actively participate in creating the future for the Airport, not leave it to a private contractor to determine what is best. We remain committed to maintaining, preserving, and protecting this asset.**

cc: Kerwin Wimberly, Mayor's Office  
David Whitaker, Director - City Council Research and Analysis  
Marcell Todd, Jr Director- City Planning Commission

General Obligation Bond Sale and Remaining  
Authorization (in millions)

QUESTION # 1

| ***** VOTER AUTHORIZATION *****                       |            |         |                      |   |                            |                                  |                            |  |
|---|------------|---------|----------------------|---|----------------------------|----------------------------------|----------------------------|--|
| Authorized Bond Issue Name                            | Authority  | Date    | Authorized<br>Amount | Issued<br>(assumes FY07 &<br>FY08 bonds sold) | Remaining<br>Authorization | FY08-09<br>Bond Sale<br>(Budget) | Remaining<br>Authorization | Notes  |
| <b>DETROIT INSTITUTE OF ARTS</b>                      | Electorate | 11/7/00 | 25.000               | 25.000  | \$0.000                    | \$0.000                          | 0.000                      | FY 2007 Amended Budget<br>DIA: Additional (\$5million)<br>See Municipal Facilities |
| <b>PUBLIC LIGHTING</b>                                | Electorate | 11/4/97 | 40.000               | 40.000  | 0.000                      |                                  |                            |  |
|   | Electorate | 11/7/00 | 30.000               | 30.000  | 0.000                      | 0.000                            | 0.000                      |  |
|   | Electorate | 11/2/04 | 22.000               | 14.765  | 7.235                      | 7.000                            | 0.235                      |  |
| <b>TOTAL PUBLIC LIGHTING</b>                          |            |         | 92.000               | 84.765  | 7.235                      | 7.000                            | 0.235                      |  |
| <b>ECONOMIC DEVELOPMENT</b>                           |            |         |                      |   |                            |                                  |                            |  |
| 1. Planning and Development                           | Electorate | 11/7/00 | 25.000               | 25.000  | 0.000                      | 0.000                            | 0.000                      | FY 2007 Amended Bud  |
|   | Electorate | 11/2/04 | 19.000               | 11.205  | 7.795                      | 0.000                            | 7.795                      | (\$3 million for<br>Cobo Hall Parking)   |
| 2. Airport  | Electorate | 11/7/00 | 5.000                | 5.000   | 0.000                      | 0.000                            | 0.000                      |  |
| <b>TOTAL ECONOMIC DEVELOPMENT</b>                     |            |         | 49.000               | 41.205  | 7.795                      | 0.000                            | 7.795                      |  |
| <b>CULTURAL FACILITIES:</b>                           |            |         |                      |   |                            |                                  |                            |  |
| 1. Eastern Market (Formerly Cultural, Arts & Tourism) | Electorate | 11/2/04 | 2.000                | 1.800   | 0.200                      | 0.000                            | 0.200                      |  |
| 2. Recreation   | Electorate | 11/7/00 | 36.000               | 36.000 II.                                    | 0.000                      | 0.000                            | 0.000                      | FY2007-08 Sale   |
|   | Electorate | 11/2/04 | 12.000               | 12.000 III.                                   | 0.000                      | 0.000                            | 0.000                      | Includes \$1.2 million for<br>General Services Dept                                |
| 3. Zoo  | Electorate | 11/7/00 | 10.000               | 10.000  | 0.000                      |                                  | 0.000                      |  |
|   | Electorate | 11/2/04 | 8.000                | 8.000 III.                                    | 0.000                      | 0.000                            | 0.000                      |  |
| 4. Historical   | Electorate | 11/7/00 | 6.000                | 5.980   | 0.020                      | 0.000                            | 0.020                      |  |
| 5. Museum of African-American History                 | Electorate | 11/7/00 | 4.000                | 3.545   | 0.455                      | 0.455                            | 0.000                      |  |
| <b>TOTAL CULTURAL FACILITIES</b>                      |            |         | 78.000               | 77.325  | 0.675                      | 0.455                            | 0.220                      |  |
| <b>MUNICIPAL FACILITIES:</b>                          |            |         |                      |   |                            |                                  |                            |  |
| 1. Public Works                                       | Electorate | 11/7/00 | 5.000                | 5.000 I.                                      | 0.000                      | 0.000                            | 0.000                      | FY 2007 Amended Budget<br>(DPW: \$3.150 of \$5 million<br>for DIA)                 |
| 2. Health and Wellness Promotion                      | Electorate | 11/7/00 | 5.000                | 4.880   | 0.120                      | 0.000                            | 0.120                      | (Health: \$1.850 of \$5 million<br>for DIA)  |
| 3. Transportation                                     | Electorate | 11/4/97 | 3.000                | 3.000   | 0.000                      | 0.000                            | 0.000                      |  |
|   | Electorate | 11/7/00 | 5.000                | 5.000   | 0.000                      | 0.000                            | 0.000                      |  |
| 4. Civic Center                                       | Electorate | 11/7/00 | 3.000                | 3.000   | 0.000                      | 0.000                            | 0.000                      |  |
| <b>TOTAL MUNICIPAL FACILITIES</b>                     |            |         | 21.000               | 20.880  | 0.120                      | 0.000                            | 0.120                      |  |

**General Obligation Bond Sale and Remaining  
Authorization (in millions)**

| ***** VOTER AUTHORIZATION *****           |            |         |                      |   |                            |                                  |                            |   |
|---|------------|---------|----------------------|---|----------------------------|----------------------------------|----------------------------|---|
| Authorized Bond Issue Name                | Authority  | Date    | Authorized<br>Amount | Issued<br>(assumes FY07 &<br>FY08 bonds sold) | Remaining<br>Authorization | FY08-09<br>Bond Sale<br>(Budget) | Remaining<br>Authorization | Notes   |
| <b>PUBLIC SAFETY:</b>                     |            |         |                      |   |                            |                                  |                            |   |
| 1. Police Facilities                      | Electorate | 11/4/97 | 7.500                | 7.500   | 0.000                      | 0.000                            | 0.000                      |   |
|   | Electorate | 11/7/00 | 6.000                | 9.080   | -3.080 ***                 | 0.000                            | 0.000                      | (0) ***   |
|   | Electorate | 11/2/04 | 78.000               | 40.500  | 37.500                     | 17.500                           | 20.000                     |   |
| 2. Fire & EMS                             | Electorate | 11/4/97 | 7.500                | 4.420   | 3.080 ***                  | 0.000                            | 0.000                      | (0.6250) ***  |
|   | Electorate | 11/7/00 | 6.000                | 6.000   | 0.000                      | 0.000                            | 0.000                      |   |
|   | Electorate | 11/2/04 | 17.500               | 5.875   | 11.625                     | 5.500                            | 6.125                      |   |
| 3. Health and Wellness Promotion          | Electorate | 11/2/04 | 7.500                | 6.000   | 1.500                      | 1.500                            | 0.000                      |   |
| 4. Civic Center                           | Electorate | 11/2/04 | 9.000                | 0.000   | 9.000                      | 0.000                            | 9.000                      |   |
| 5. Department of Public Works             | Electorate | 11/2/04 | 6.000                | 4.430   | 1.570                      | 0.000                            | 1.570                      |   |
| 6. Recreation Department                  | Electorate | 11/2/04 | 2.000                | 2.000   | 0.000                      | 0.000                            | 0.000                      | FY2007-08 Sale<br>Includes \$2 million for<br>General Services Dept |
| <b>TOTAL PUBLIC SAFETY</b>                |            |         | 147.000              | 85.805  | 61.195                     | 24.500                           | 36.695                     |   |
| <b>TRANSPORTATION IMPROVEMENTS</b>        |            |         |                      |   |                            |                                  |                            |   |
| 1. Department of Transportation           | Electorate | 11/2/04 | 12.000               | 0.000   | 12.000                     | 0.000                            | 12.000                     |   |
| 2. Detroit Transportation Corporation     | Electorate | 11/2/04 | 15.000               | 10.000  | 5.000                      | 0.000                            | 5.000                      |   |
| 3. Airport                                | Electorate | 11/2/04 | 5.000                | 1.440   | 3.560                      | 3.500                            | 0.060                      |   |
| <b>TOTAL TRANSPORTATION IMPROVEMENTS</b>  |            |         | 32.000               | 11.440  | 20.560                     | 3.500                            | 17.060                     |   |
| <b>HISTORICAL MUSEUM</b>                  | Electorate | 11/6/01 | 20.000               | 2.800   | 17.200                     | 17.200                           | 0.000                      |   |
| <b>LIBRARY</b>                            | Electorate | 11/4/97 | 7.500                | 7.500   | 0.000                      | 0.000                            | 0.000                      |   |
| <b>Museum of African-American History</b> | Electorate | 4/29/03 | 6.000                | 5.500   | 0.500                      | 0.500                            | 0.000                      |   |
| <b>Debt Service</b>                       |            |         |                      | 0.003   | (0.003) I.                 | 0.000                            | (0.003)                    |   |
| <b>Bonds Approved/ Unissued **</b>        | n/a        | n/a     | n/a                  | 0.000   | 0.000                      | 0.000                            | 0.000                      |   |
| <b>TOTALS</b>                             |            |         | <b>\$477.500</b>     | <b>\$362.220</b>                              | <b>\$115.280</b>           | <b>\$53.155</b>                  | <b>\$62.125</b>            |   |

\*\* The August 1995 bond sale of \$50.000M funded \$76.770M of appropriated projects. To date an additional \$76.770M has been sold to cover these projects. This commitment has been fulfilled, no balance remains.

\*\*\* Authorization to fund mandatory Police projects for the FY04-05 was overcommitted by (-3.080); authorization was transferred from the Fire Dept. as permitted under the voter approved Public Safety ballot proposal. The Fire Dept. remaining authorization was 0.6250.

I. The August 2002 bond sale resulted in a premium which is considered a reduction in voter authorization. The premium amounts allocated to the agencies are rounded to the nearest 1,000; the residual amount was charged to Debt Service (\$2,628). Total premium amount was \$1,212,628.

DPW remaining authorization was reduced by \$250,000 for premium amounts allocated to Civic Center (40,000) and DOT (210,000), both have no remaining authorization.

II. FY05 Bond Sale for Recreation includes \$400,000 for the Eastern Mkt, now under the Culture, Arts & Tourism Dept. Also includes City Council additional project for Paradise Valley Monument (\$400,000).

III. The December 2005 bond sale resulted in a premium of \$2.1 million allocated to Recreation (\$700,000) and Zoo (\$1,400,000).

**QUESTION # 2**

**GENERAL OBLIGATION BONDS (Free Balances as of June 2008)**

|                                    |              |  | TOTAL          |  |
|------------------------------------|--------------|--|----------------|--|
| DEPARTMENTS                        | Organization | NAME   | APPROPRIATED   |  |
|                                    |              |  | FREE BALANCES  |  |
|                                    |              |  | (Unencumbered) |  |
|                                    |              |  |                |  |
| AIRPORT                            |              |  | \$2,631,413    |  |
|                                    | 100055       | Land Acquisition French Road - Minitake        |                |  |
|                                    | 100205       | Heliport Upgrade -GO                           |                |  |
|                                    | 100206       | Access and Parking Improvements GO             |                |  |
|                                    | 100207       | Crack Sealing and Painting - GO                |                |  |
|                                    | 100208       | T-Hanger - GO                                  |                |  |
|                                    | 100209       | T-Hanger Exterior Painting - GO - 04/05        |                |  |
|                                    | 100212       | Airport Local Match - GO                       |                |  |
|                                    | 100290       | Executive Terminal Rehabilitation -GO 04/05    |                |  |
|                                    | 100294       | Tuskegee Airman- Infrastructure                |                |  |
|                                    | 100410       | Airport Local Match - CR                       |                |  |
|                                    |              |  |                |  |
| D.I.A. (also see Non-Departmental) |              |  | \$50,374       |  |
|                                    | 110270       | Building Expansion - Arts                      |                |  |
| CIVIC CENTER                       |              |  | \$240,000      |  |
|                                    | 140055       | Capital Improvements - Bonds - Civic Center    |                |  |
|                                    |              |  |                |  |
| CULTURAL, ARTS & TOURISM*          |              |  | \$397,700      |  |
|                                    | 175000       | Eastern Market - Capital Improvements          |                |  |
|                                    |              |  |                |  |
| D.P.W.                             |              |  | \$8,541,137    |  |
|                                    | 190310       | Bonds - Capital Improvements                   |                |  |
|                                    |              |  |                |  |
| D.O.T                              |              |  | \$1,340,066    |  |
|                                    | 200375       | DTC - Capital Improvements Bonds               |                |  |
|                                    | 201100       | Capital Improvements - Bonds - DOT             |                |  |
|                                    |              |  |                |  |
| FIRE                               |              |  | \$9,433,534    |  |
|                                    | 240314       | Fire Capital Improvements                      |                |  |
|                                    | 240315       | Emergency Operations Centre                    |                |  |
|                                    | 240365       | Fire - Public Safety Mall - Bond               |                |  |
|                                    | 240390       | Fire - Capital Improvements Replacement 89A    |                |  |
|                                    | 241314       | Capital - Fire Reinvestment                    |                |  |
|                                    |              |  |                |  |
| GENERAL SERVICES                   |              |  | \$2,625,459    |  |
|                                    | 470150       | Park Development Workforce                     |                |  |
|                                    | 470155       | Facilities Improvements                        |                |  |
|                                    |              |  |                |  |
| HEALTH                             |              |  | \$8,704,687    |  |
|                                    | 250100       | Facilities                                     |                |  |
|                                    | 258858       | Capital Improvements - Health                  |                |  |
|                                    | 250995       | Health bonds                                   |                |  |
|                                    |              |  |                |  |
| HISTORICAL                         |              |  | \$25,694       |  |
|                                    | 260030       | DHM - Main Museum Capital Improvements - ADA - |                |  |
|                                    | 260031       | Main Museum - Expansion - A/E                  |                |  |
|                                    | 260070       | Historical De - Accessions & Acquisitions      |                |  |

# GENERAL OBLIGATION BONDS (Free Balances as of June 2008)

| DEPARTMENTS                       | Organization | NAME   | TOTAL   |  |
|-----------------------------------|--------------|--|---|--|
|                                   |              |  | APPROPRIATED<br>FREE BALANCES<br>(Unencumbered) |  |
|                                   | 260090       | Historic Fort Wayne Collections Improvements -GO               |   |  |
|                                   | 260095       | Historic Fort Wayne Collections Renovations - ADA - GO - 04/05 |   |  |
| <b>PLANNING &amp; DEVELOPMENT</b> |              |  | <b>\$18,109,522</b>                             |  |
|                                   | 360035       | Housing Rehab Projects   |   |  |
|                                   | 360099       | Planning & Development Projects                                |   |  |
|                                   | 360122       | Far East Area Project  |   |  |
|                                   | 360139       | Capital Reinvestment P&DD                                      |   |  |
|                                   | 360140       | Wholesale District Expansion Bond 89A                          |   |  |
|                                   | 360141       | Capital Improvement Bond P&DD                                  |   |  |
|                                   | 360142       | P&DD Bond Series 90A   |   |  |
|                                   | 360148       | North Industrial 93 Bond                                       |   |  |
|                                   | 360150       | Victoria Park 93 Bond  |   |  |
|                                   | 360153       | Brush Park   |   |  |
|                                   | 360155       | Elmwood Bond   |   |  |
|                                   | 360156       | Residential Sites  |   |  |
|                                   | 360157       | Commerical Industrial Sites                                    |   |  |
|                                   | 360158       | Mid City Bond  |   |  |
|                                   | 360159       | Trafficways Development  |   |  |
|                                   | 360160       | Chrysler Mack Avenue   |   |  |
|                                   | 360161       | Woodward Corridor  |   |  |
|                                   | 360162       | Jefferson Chalmers Appr. 950                                   |   |  |
|                                   | 360163       | Ford Auditorium  |   |  |
|                                   | 360165       | Urban Land Reclamation Bonds                                   |   |  |
|                                   | 360167       | Southwest Industrial and Port                                  |   |  |
|                                   | 360205       | Porterfield Marina VIIIA Bond 91A                              |   |  |
|                                   | 360214       | Major Demolition   |   |  |
|                                   | 361377       | Neighborhood Development Corp. Project #1                      |   |  |
|                                   | 362607       | Hubbard-Richard Infrastructure - Bonds                         |   |  |
|                                   | 362608       | Hubbard - Richard  |   |  |
|                                   | 362800       | Uniroyal Site Reclamation                                      |   |  |
|                                   | 362801       | Eastside Flood Plan  |   |  |
|                                   | 363105       | Major Building Demolition                                      |   |  |
|                                   | 364013       | Ford Auditorium Removal  |   |  |
|                                   | 364014       | Low and Moderate Income Housing                                |   |  |
| <b>POLICE</b>                     |              |  | <b>\$32,920,982</b>                             |  |
|                                   | 370830       | Building and Sites bond  |   |  |
|                                   | 370840       | Capital Improvements - Bonds                                   |   |  |
|                                   | 370842       | Existing Facility Upgrade                                      |   |  |
|                                   | 370844       | Training Facilities  |   |  |
|                                   | 371721       | Capital Reinvestment - Police                                  |   |  |
| <b>PUBLIC LIGHTING</b>            |              |  | <b>\$11,927,613</b>                             |  |
|                                   | 380080       | System Improvements  |   |  |
|                                   | 380801       | Job # 54939, Michigan Ave. Lighting Removal and Rep            |   |  |
|                                   | 380930       | Casino/Stadia Utility  |   |  |
| <b>RECREATION</b>                 |              |  | <b>\$3,598,454</b>                              |  |
|                                   | 390985       | Recapitalization Project                                       |   |  |
|                                   | 391390       | Rogell Drain Stabilization - County                            |   |  |
|                                   | 391400       | Park Development Workforce                                     |   |  |

# GENERAL OBLIGATION BONDS (Free Balances as of June 2008)

| DEPARTMENTS                      | Organization | NAME                                  | TOTAL   |  |
|----------------------------------|--------------|---------------------------------------|---|--|
|                                  |              |                                       | APPROPRIATED<br>FREE BALANCES<br>(Unencumbered) |  |
|                                  | 391410       | Parks and Landscapes                  |   |  |
|                                  | 391420       | Belle Isle Park Development           |   |  |
|                                  | 391430       | Recreation Facilities Improvements    |   |  |
|                                  | 391435       | New Recreation Facilities             |   |  |
|                                  | 391450       | Land Acquisition - Recreation Capital |   |  |
|                                  | 391460       | Regional Facility - Land Improvement  |   |  |
|                                  | 391470       | Rouge Park - Capital                  |   |  |
|                                  | 391480       | Eastern Market Capital                |   |  |
|                                  | 391510       | Rouge Park - Improvements             |   |  |
|                                  | 392330       | Riverfront Parks Seawalls 93          |   |  |
|                                  | 398411       | Farwell Recreation Center             |   |  |
|                                  | 399000       | Paradise Valley Memorial Park         |   |  |
| <b>ZOO</b>                       |              |                                       | <b>\$94,044</b>                                 |  |
|                                  | 440345       | Belle Isle Zoo Capital Improvements   |   |  |
| <b>NON-DEPARTMENTAL</b>          |              |                                       |   |  |
| <b>CHW African-American M</b>    | 350745       | Museum of African American History    | <b>\$932,254</b>                                |  |
| <b>DIA</b>                       | 351180       | DIA Improvements                      | <b>\$319,998</b>                                |  |
| <b>Eastern Market</b>            | 351389       | Eastern Market Capital                | <b>\$625,000</b>                                |  |
| <b>Historical</b>                | 351388       | Historical Capital (Bonds)            | <b>\$2,800,000</b>                              |  |
| <b>Zoo</b>                       | 351385       | Zoo Capital - Facility Improvements   | <b>\$5,985,000</b>                              |  |
| <b>Debt Service Expenses</b>     | 351380       | GO Bond Series 1993 Inv Earn          | <b>\$914</b>                                    |  |
| <b>APPROP/UNSOLD PROJECTS **</b> |              |                                       |   |  |
| <b>TOTAL FREE BALANCE</b>        |              |                                       | <b>\$111,303,844</b>                            |  |

\* Department was eliminated, responsibilities transferred to the Recreation Department and the Eastern Market Corporation.

\*\* Note: There remains no appropriated/unsold balances (all bonds have now been sold). The August, 1995 Bond Sale in which \$50,000,000 was sold and \$76,770,000 was appropriated is the original transaction giving rise to appropriated/unsold balances.



**QUESTION # 5**

**Planning and Development Department  
GO Bond Projects  
FY 2003-04 thru FY 2008-09**

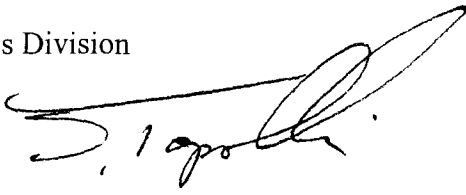
| <b>Fiscal<br/>Year</b>     | <b>Project Name</b>                         | <b>Amount</b> | <b>Earnings on<br/>Investment</b> | <b>Total</b>               |
|----------------------------|---|---------------|-----------------------------------|----------------------------|
| 2003-04                    | Brush Park Project - Redevelopment Area     | \$7,000,000   |                                   | \$7,000,000                |
|                            | Major Building Demolition - Ford Auditorium | 1,100,000     |                                   | 1,100,000                  |
|                            | Residential Sites                           | 5,000,000     |                                   | 5,000,000                  |
| 2004-05                    | Far East Area Project                       | 1,000,000     |                                   | 1,000,000                  |
|                            | Brush Park Project - Redevelopment Area     | 2,000,000     |                                   | 2,000,000                  |
| 2005-06                    | Brush Park Project - Redevelopment Area     | 1,000,000     |                                   | 1,000,000                  |
| 2006-07                    | Brush Park - (Budget Amendment)             | 3,000,000     |                                   | 3,000,000                  |
| 2007-08                    | Commercial Industrial Sites                 | 1,000,000     | \$1,000,000                       | 2,000,000                  |
|                            | Residential Site Fund                       | 5,500,000     |                                   | 5,500,000                  |
| 2008-09                    | None  |               |                                   |                            |
| <b><u>Total Budget</u></b> |   |               |                                   | <b><u>\$27,600,000</u></b> |

Note: budget based on authorization from both the 2000 and 2004 bond proposals.  
A balance of \$7.795 million remain from the 2004 voter authorization for Planning & Development

QUESTION # 8

# Memorandum

**To:** Irvin Corley, Director  
City Council Fiscal Analysis Division

**From:** Stanley Topolewski, P.E.  
Head Electrical Engineer 

**Subject:** 2008 General Obligation Bonds Ballot Proposals

**Date:** July 22, 2008

**CC:** C. Beckham, P. Scales, F. Stanley, E. Stewart, R. Short

The Public Lighting Department's responses to your 2008 bond ballot proposal questions are as follows:

2. *"Please provide a breakdown by agency of the bonds that have been sold but not yet expended and detail what projects they are to be used for."*

As of July 1, 2008, the PLD had a free balance of approximately \$9,250,000. The projects these funds will be used for are:

|   |             |
|---|-------------|
| Green Acres/Sherwood Forest Street Lighting | \$1,500,000 |
| Fenkell Street Lighting                     | 350,000     |
| PLD Headquarter Upgrades                    | 1,000,000   |
| Berry Subdivision Street Lighting           | 800,000     |
| Engineering Services                        | 1,200,000   |
| W. Outer Drive Street Lighting              | 1,900,000   |
| E. Outer Drive Street Lighting              | 2,500,000   |

8. *"PLD – Of the \$52 million authorized in the last 2 bond sales how much has been spent on maintaining the existing systems and how much has been appropriated for new construction infrastructure?"*

As of July 1, 2008, there remains \$7,235,000 in authorized but unsold bonds and a free balance of approximately \$9,250,000 (see above). Of the remaining amount, \$6,270,335 was spent on upgrading existing systems and \$29,244,665 was spent on new construction.

# DETROIT PUBLIC LIBRARY

5201 WOODWARD AVENUE, DETROIT, MICHIGAN, 48202 (313) 833-1000

NANCY SKOWRONSKI  
Director

## QUESTION # 10

July 22, 2008

Irvin Corley, Jr., Director  
Fiscal Analysis Division  
Coleman A. Young Municipal Center  
2 Woodward Avenue, Suite 218  
Detroit, MI 48226

Dear Mr. Corley:

First of all, on behalf of the Detroit Library Commission and all its staff, I would like to thank the Administration and City Council for including the Detroit Public Library in the proposed \$263 million capital bond authorization to go on the November 2008 ballot. The Library inclusion as part of the *Museums, Libraries and Recreational Facilities* section is exciting and appropriate. The Library Commission approved its current strategic plan, *Strategic Directions 2008 – 2013*, at its January 2008 meeting. The Library is also in the process of establishing a foundation to assist with its pending capital campaign.

Enclosed with this letter please find copies of:

- Detroit Public Library Strategic Directions 2008 - 2013
- Transformation Plan for Library Facilities: 2008 – 2013
- Detroit Public Library Annual Report and Community Calendar 2005 – 2007
- Rationale for Library Proposal to Demolish Chandler Park and Mark Twain Branch Libraries
- Legal Opinion on the Issue of Bonds for the Detroit Public Library

You asked me to address question # 10: *Detroit Public Library – Please provide a rationale as to why this needs to go through the city when DPL has chosen to separately handle its operating millage proposals?*

I am pleased to answer:

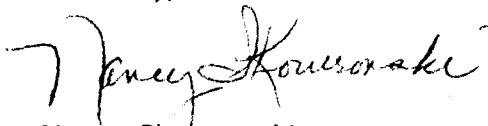
Public entities have only those borrowing powers that are expressly granted by law. The statutes governing the Detroit Public Library do not expressly grant to the Detroit Public Library the borrowing power for the amounts sought. Instead, the statutes expressly allow the City of Detroit to issue debt for the benefit of the Detroit Public Library. Therefore, the Detroit City Council must approve the bond issue.

*(Please see attachment for specific statutes)*

Also, I understand that Councilwoman Alberta Tinsley-Talabi expressed concerns about future plans for the Library's Mark Twain and Chandler Park Branches. I have attached separate explanations on future plans for each branch as enclosures.

If I may be of further assistance please don't hesitate to contact either Juliet Machie, Deputy Director at 313.833.3997 or me.

Sincerely,

A handwritten signature in black ink, appearing to read "Nancy Skowronski". The signature is fluid and cursive, with the first name "Nancy" written in a larger, more prominent script than the last name "Skowronski".

Nancy Skowronski  
Director

Cc: Enclosures

## Legal Opinion on the Issue of Bonds for the Detroit Public Library

The methods of issuing debt for the benefit of the Detroit Public Library all require issuance by the City of Detroit. There are four possible avenues of debt issuance:

(1) Debt may be issued pursuant to Act No. 359 of the Local Acts of 1901, as amended. This local act authorizes the issuance of a limited amount of debt for the Detroit Public Library and restricts the interest rate and other aspects of the issuance so that it is not a viable tool in the modern municipal bond market.

(2) Act 305 of the Public Acts of Michigan of 1919, as amended, MCL 397.241 *et seq.* ("Act 305"), authorizes a city to issue debt for the benefit of the library in a maximum amount equal to 1/4 of 1% of the assessed value of the city. This debt is above and beyond any city debt limits, but Act 305 specifically requires the city to issue the bonds.

(3) Bonds can be issued pursuant to the Detroit City Charter. Section 6 of Act 305, MCL 397.246, states that, in addition to borrowing specifically authorized by Act 305 (see (2) above), cities can borrow funds for libraries as authorized by the city charter. Article 8, Chapter 5 of the Detroit City Charter grants the City borrowing power allowing the issuance of bonds approved by the voters which are paid with a millage levied in amounts needed to pay the annual debt service on the bonds. This provides a source of funding beyond current tax collections and is the method proposed for this bond issue. By Charter, these bonds must be issued by the City.

(4) The City could issue *limited* tax bonds for a Detroit Public Library project under the City Charter or pursuant to Section 517 of Act 34 of the Public Acts of 2001, as amended, MCL 141.2517. The total amount of bonds issued are limited to 5% of the assessed valuation of the City this provision does not authorize any additional millage to be levied. Accordingly, no voter approval is required, unless a petition is filed asking for an election. Act 34 and the Charter require the bonds to be issued by the City.

## DETROIT PUBLIC LIBRARY

### Rationale for Library Proposal to Demolish Chandler Park Library

In May 2006, DPL engaged Plante Moran's Corporate Real Estate Advisors (CRESA), to evaluate the Chandler Park Library, located at 12800 Harper Avenue, Detroit. Preliminary assessments of the building conducted by the library's facilities staff suggested that the Chandler Park Library was buckling at its foundation and possibly sliding towards I-94.

After rigorous testing and evaluations, CRESA LLC determined that the building's foundation had serious settlement issues resulting in some shifting and wall separations. In addition, the building has no HVAC and the mechanical, electrical and lighting systems would need to be upgraded. More so, the space is no longer adequate for the level of library services required by the Chandler Park community. It is not cost effective to address the existing building issues and expand services at the current Chandler Park location.

#### **A New Library for Chandler Park:**

The transformation plan for library facilities recommends for the library to secure a new site for the construction of a new Chandler Park Library. This proposal is included as a 2009 - 2010 budget priority in the library's Capital Improvements (*Transformation*) Plan.

## DETROIT PUBLIC LIBRARY

### Rationale for Library Proposal to Demolish Mark Twain Library

In May 2006, DPL engaged Plante Moran's Corporate Real Estate Advisors (CRESA), to evaluate the closed Mark Twain building, located at 8500 Gratiot Avenue Detroit. Preliminary assessments of the building conducted by the library's facilities staff suggested that the building had suffered significant water damage since the facility was closed in 1997.

CRESA's evaluation revealed that significant abatement of hazardous materials would be needed. Water infiltration has penetrated interior plaster, woodwork, and basement mechanical room and equipment. The building floor plan would need to be revised to accommodate ADA accessibility.

CRESA estimated the restoration of the Mark Twain Library at \$4.5 million, without furniture, fixtures and equipment. Based on the library's experience with the restoration of the Skillman Branch, the projection for Mark Twain is estimated at \$7 million.

#### **A New Mark Twain Library:**

At present, the library is negotiating a partnership with the Detroit Catholic Pastoral Alliance (DCPA) for the lease and build out of space to house a new Mark Twain Branch Library. The proposed library space will become the foundation for a Phase II Gratiot Avenue Redevelopment Project, modeled after the Campbell Branch project in Southwest Detroit. The proposed new Mark Twain Library will occupy up to 15,000 square feet of space, in a mixed-use commercial/residential new construction project, to be located in the 8800 block of Gratiot, at Rohns and Holcomb. The Buildings Committee of the Detroit Library Commission has authorized staff to pursue this partnership.

A new Mark Twain Library is a 2008 – 09 priority in the Library's Capital Improvements (*Transformation*) plan.

## **TRANSFORMATION PLAN FOR LIBRARY FACILITIES: 2008 – 2013**

### **INTRODUCTION:**

DPL desires to become Detroit's lifeline for enrichment and growth, a vital community resource for expanding the mind and promoting literacy.

In 2006, the Detroit Public Library initiated a strategic planning process with the following goals: to establish a roadmap that would assist the DPL in managing its future and to engage and energize staff, customers and stakeholders about the future of the DPL.

"Strategic Directions 2008 – 2013" is the product of the library's strategic planning process. The document contains seven strategic directions where the library will focus its resources over the next five years.

This document represents the strategies for transforming the library's Physical Infrastructure otherwise known as the Detroit Public Library's Capital Improvements Plan.



## Strategic Direction #2 Physical Infrastructure:

DPL's vision is to provide library services from facilities that are "stable, accessible, comfortable and inviting." An aggressive Capital Improvements Plan has been developed to transform the library's facilities.

- The "Library as a Community Center" will grow in importance at all DPL locations. Library spaces will be evaluated and transformed, to achieve an ambiance of the library as a community gathering place
- DPL will aggressively pursue economies and efficiencies to create funding to help us address our many infrastructure needs, without compromising effectiveness
- DPL will explore and implement a capital improvement fundraising campaign, to assist us in creating a strong and stable physical infrastructure for the library's future

### **HIGHLIGHTS OF THE FIVE-YEAR CAPITAL IMPROVEMENT PLAN**

- Six (6) New Library Branches
- Transformation and stabilization of the Main Library
- 9 Transformation Projects at Branches
- The following library locations are not impacted by the plan:
  - Skillman – opened 2003
  - Campbell – opened 2006
  - Parkman – 2006 upgrades
  - Richard - reopened 2001
  - Sherwood Forest – 2006 upgrades

## TRANSFORMATION PLAN FOR LIBRARY FACILITIES: 2008 – 2009

| <u>Priority</u> | <u>Timeline</u> | <u>Capital Agenda</u>   | <u>Rationale</u>   | <u>Budget Projection</u>   | <u>Funding Source</u>  |
|-----------------|-----------------|---|--|--|--|
| #1              | 2008 - 2009     | Children's Library<br>- Construction  | <i>Two-time Library<br/>Millage promise<br/>Strategic Plan</i> | \$3.5 million  | - Bonding Initiative<br>- Capital Improvement Funds<br>- Fundraising |
| #2              | 2008 - 2009     | Riverfront Library<br>- Construction<br><br>Mark Twain Library<br>- Demolish building<br>- Lease / Build out        | <i>Strategic Plan</i>  | \$7 million<br>(20K sq.ft. @<br>\$350 per sq.)<br><br>\$400,000<br>\$1.6 million | - Bonding Initiative<br>- Capital Improvement Funds<br>- Fundraising |
| #3              | 2008 - 2009     | Main Library – Structural Needs<br>- Roofing<br>-   | <i>Critical Need<br/>Strategic Plan</i>                        | \$2 m  | - Bonding Initiative<br>- Capital Improvement Funds<br>- Fundraising |
| #4              | 2008 - 2009     | New Franklin Branch<br>Construction   | <i>Strategic Plan</i>  | \$4 million<br>(15K sq. ft. @<br>\$300 per sq.)                                  | - Bonding Initiative<br>- Capital Improvement Funds<br>- Fundraising |
| #5              | 2008 - 2009     | Main Library -<br>Space Reorganization Projects:<br>- Circ / Coffee Shop<br>- Media Center<br>- South Wing Redesign | <i>Strategic Plan</i>  | \$2.5 million  | - Bonding Initiative<br>- Capital Improvement Funds<br>- Fundraising |

### TRANSFORMATION PLAN FOR LIBRARY FACILITIES: 2009 – 2010

| <u>Priority</u> | <u>Timeline</u> | <u>Capital Agenda</u>   | <u>Rationale</u>                    | <u>Budget Projection</u>                                   | <u>Funding Source</u>  |
|-----------------|-----------------|---|-------------------------------------|--|--|
| #1              | 2009 - 2010     | New Chandler Park<br>- Property Acquisition<br>- Construction<br>- Implode existing building<br>- See Rationale | <i>Strategic Plan</i>               | \$6 m<br>(15K sq. ft. @<br>\$400 per sq.)<br><br>\$500,000 | - Bonding Initiative<br>- Capital Improvement Funds<br>- Fundraising |
| #2              | 2009 - 2010     | Redford<br>- Expansion & Transformation<br>- Close Chase  | <i>Strategic Plan</i>               | \$3 million  | - Bonding Initiative<br>- Capital Improvement Funds<br>- Fundraising |
| #3              | 2009 - 2010     | Main Library – Structural Needs<br>- Implementation of HVAC, Mechanical & Equipment Study<br>-                  | <i>Critical Need Strategic Plan</i> | \$4 m  | - Bonding Initiative<br>- Capital Improvement Funds<br>- Fundraising |
| #4              | 2009 - 2010     | Wilder Branch<br>- Expansion & Transformation   | <i>Strategic Plan</i>               | \$2 million  | - Bonding Initiative<br>- Capital Improvement Funds<br>- Fundraising |

**TRANSFORMATION PLAN FOR LIBRARY FACILITIES: 2010 – 2011**

| <b><u>Priority</u></b> | <b><u>Timeline</u></b> | <b><u>Capital Agenda</u></b>  | <b><u>Rationale</u></b>                 | <b><u>Budget<br/>Projection</u></b>   | <b><u>Funding Source</u></b>   |
|------------------------|------------------------|---|---|---------------------------------------|--|
| #1                     | 2010 - 2011            | Renaissance Branch<br>- Proposed as a Technology & Teen Center<br>- Close Hubbard   | <i>Strategic Plan</i>                   | \$4 m<br>(20K sq. ft @ \$400 per sq.) | - Bonding Initiative<br>- Capital Improvement Funds<br>- Fundraising |
| #2                     | 2010 - 2011            | Edison Branch<br>- Transformation & Redesign  | <i>Strategic Plan</i>                   | \$1.5 m                               | - Bonding Initiative<br>- Capital Improvement Funds<br>- Fundraising |
| #3                     | 2010 - 2011            | Main Library – Structural Needs<br>- Exterior Façade<br>- Complete Implementation of HVAC, Mechanical and Equipment Study | <i>Critical Need<br/>Strategic Plan</i> | \$5 m                                 | - Bonding Initiative<br>- Capital Improvement Funds<br>- Fundraising |
| #4                     | 2010 - 2011            | Knapp Branch<br>- Implode & Rebuild<br>- Close Lincoln  | <i>Strategic Plan</i>                   | \$6 m<br>(15K sq. ft @ \$400 per sq.) | - Bonding Initiative<br>- Capital Improvement Funds<br>- Fundraising |

## TRANSFORMATION PLAN FOR LIBRARY FACILITIES: 2011 – 2012

| <u>Priority</u> | <u>Timeline</u> | <u>Capital Agenda</u>  | <u>Rationale</u>                    | <u>Budget Projection</u>                       | <u>Funding Source</u>  |
|-----------------|-----------------|--|-------------------------------------|--|--|
| #1              | 2011 - 2012     | New Jefferson Branch<br>- Property Acquisition<br>- Construction | <i>Strategic Plan</i>               | \$8 m<br>(20K sq. ft @<br>\$400 per sq.)       | - Bonding Initiative<br>- Capital Improvement Funds<br>- Fundraising |
| #2              | 2011 - 2012     | Chaney Branch<br>- Implode & Rebuild                             | <i>Strategic Plan</i>               | \$6 million<br>(15K sq. ft @<br>\$400 per sq.) | - Bonding Initiative<br>- Capital Improvement Funds<br>- Fundraising |
| #3              | 2011 - 2012     | Main Library – Structural Needs<br>-                             | <i>Critical Need Strategic Plan</i> | \$5 m  | - Bonding Initiative<br>- Capital Improvement Funds<br>- Fundraising |
| #4              | 2011 - 2012     | Montieth Branch<br>- Transformation & Redesign<br>-              | <i>Strategic Plan</i>               | \$3 m  | - Bonding Initiative<br>- Capital Improvement Funds<br>- Fundraising |
| #5              | 2011 - 2012     | Begin Space Planning & Design for 48217 Branch                   | <i>Strategic Plan</i>               | See 2012 – 2013 budget                         | - Bonding Initiative<br>- Capital Improvement Funds<br>- Fundraising |
| #6              | 2011 - 2012     | Douglass Branch<br>- Transformation & Redesign<br>-              | <i>Strategic Plan</i>               | \$1.5 m  |  |

## TRANSFORMATION PLAN FOR LIBRARY FACILITIES: 2012 – 2013

| <u>Priority</u> | <u>Timeline</u> | <u>Capital Agenda</u>                         | <u>Rationale</u>                | <u>Budget Projection</u>                 | <u>Funding Source</u>  |
|-----------------|-----------------|---|---------------------------------|--|--|
| #1              | 2012 - 2013     | Delray Branch<br>- Construction               | Strategic Plan                  | \$6 m<br>(15K sq. ft @<br>\$400 per sq.) | - Bonding Initiative<br>- Capital Improvement Funds<br>- Fundraising |
| #2              | 2012 – 2013     | Bowen Branch<br>- Expansion & Redesign        | Strategic Plan                  | \$2 m                                    | - Bonding Initiative<br>- Capital Improvement Funds<br>- Fundraising |
| #3              | 2012 - 2013     | Main Library – Structural Needs<br>- TBD<br>- | Critical Need<br>Strategic Plan | \$3 m                                    | - Bonding Initiative<br>- Capital Improvement Funds<br>- Fundraising |
| #4              | 2012 - 2013     | Duffield<br>- Transformation & Redesign       | Strategic Plan                  | \$2 m<br>(15K sq. ft @<br>\$400 per sq.) | - Bonding Initiative<br>- Capital Improvement Funds<br>- Fundraising |
| #5              | 2012 - 2013     | Conley Branch<br>- Expansion & Redesign<br>-  | Strategic Plan                  | \$1 m                                    | - Bonding Initiative<br>- Capital Improvement Funds<br>- Fundraising |
|                 |                 | -   |                                 |  | -  |

# EASTERN MARKET CORPORATION

July 22, 2008

**QUESTION # 11**

Irvin Corley Jr., Director  
City Council Fiscal Analysis Division  
City of Detroit

Dear Mr. Corley:

**RE: Eastern Market Use of City of Detroit Capital Bond Proceeds**

Please find bellows details in response to your memo of July 18, 2008 regarding the intended use of the \$7,500,000 in City of Detroit Bond proceeds proposed for use in revitalizing Eastern Market.

**Market Hall / Education Center \$3,500,0000**

With the completion of work on Shed 2 the market's premier seasonal shed, planning work is now in full swing on the next phase of work which is expected to begin construction in the first quarter of 2009.

The next phase of work at Eastern Market is aimed at improving Detroit's access to healthy food by building a Market Hall and increasing education efforts about healthy eating by building a companion Education Center.

The Market Hall will be a new feature at Eastern Market. A climate-controlled facility offering fresh and prepared foods with multiple day of week operations intended to compliment nearby markets such as Wigley's and Gratiot Central and build Eastern Market into a more compelling source of healthy and nutritious food for Detroit residents that are under-served by regional and national grocery chains. The funding for the Market Hall is nearly complete with nearly \$3.5 of the \$3.9 million dollar budget raised from corporate and foundation sources.

The Education Center strongly complements the Market Hall. While the Market Hall improves access to healthy and nutritious food by increasing hours of operation, expanding products offered for sale, and improving the comfort for shoppers during winter months, the Education Center is aimed at expanding education and outreach efforts about the importance of healthy eating, the close connection between a good diet and public health, and reducing the cost of healthy eating by improving residents knowledge of the selection, preparation, and storage of whole foods.

To help improve the public health of Detroit, Eastern Market must work with many partners on both the supply and demand side of the issue. Several generations of residents have grown up knowing nothing but fast food and meeting their dietary needs at a collection of convenience

# EASTERN MARKET CORPORATION

stores and party shops. The Education Center will provide a variety of facilities for a range of programs offered by both Eastern Market and others engaged in improving healthy eating.

Classrooms and a complex of teaching kitchens will provide a number of exciting and interesting settings conducive to learning about food. Tapping into the 20,000 to 40,000 who already frequent Eastern Market to buy food on a weekly basis is as important as becoming a more complete destination for school and senior groups throughout the week.

We have received strong foundation interest for funding to assist in providing programs related to education and outreach around food and have several grants pending we have not yet received any corporate or foundation capital support for this project. Support from the City of Detroit will allow us to move quickly to build both the Market Hall and the Education Center in 2009. Without such support, the timeline of private fundraising efforts may delay construction of the Education Center.

## **Infrastructure Improvements \$4,000,000**

Eastern Market is more than one hundred and ten years old and as Sheds are being rebuilt and refurbished the public areas adjacent to the sheds also need improvement. Sidewalks, curbs, landscaping including street trees, public seating, and historic lighting along with parking lots, cross walks, and handicap ramps are the key elements to be addressed in the Infrastructure Improvement portion of City of Detroit Bond financing.

Total infrastructure costs are expected to range as high as \$8,000,000 when the entire market campus and Russell Street from the I-75 Service Drive to Mack Avenue is completed. Currently, \$2,000,000 is available from previously issued Planning and Development Department Bonds, \$395,000 from previously issued Recreation Department Bonds, and \$1,000,000 in funding from existing City of Detroit capital funds sources is allocated towards Eastern Market infrastructure improvement.